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THE LAST OF THE PRIMARIES before the November elections has been held, and the impression of the Maine and California votes has been confirmed. Mayor Curley of Boston has broken the conservative leadership of Senator David Walsh in Massachusetts. Even Governor Albert Ritchie of Maryland, who was renominated, felt moved for the first time to indorse the New Deal after seeing the strength of an obscure physician who ran against him as its champion. Democratic conservatism has had only two important successes—in Colorado, and in Georgia where Eugene Talmadge was renominated for Governor. The nomination by Wisconsin Democrats of John M. Callahan for the Senate cannot be called a conservative victory, for it probably assures the election of Senator Robert La Follette, who should be able to count in November on the liberal Democratic vote as well as his own Progressive following. Philip La Follette, running on the new Progressive ticket for Governor, will have a closer fight. His opponent, Governor A. G. Schmedeman, is not a conservative, and to win he must attack the same liberal Democrats who he hopes will vote for his brother Robert. The showing of the new party in Wisconsin was fairly satisfactory, but its full strength cannot be estimated until the November election. Philip La Follette will suffer somewhat from the distinction drawn between him and his brother in the President's Green Bay speech. It transpires that the President had Philip in mind as one of the "well-meaning people who have the right general objective but insist on their own approach," while he was indorsing brother Robert for the Senate.

RESULTS IN OTHER STATES tend to bear out our contention that the country as a whole is ready for more radical action by the President. The nomination of Governor Theodore Bilbo of Mississippi to the Senate is not to be dismissed as simply the kind of queer thing that can happen in the South. The Governor complains that he did not promise to "raise more hell in Washington than Huey Long." He promised to raise more hell for the common people. We do not understand how Governor Bilbo could convince Mississippians that he could serve them effectively, but we sympathize with their determination to be served more demonstratively than they have been by Senator Stephens, whom Governor Bilbo defeated, and by Senator Pat Harrison, who supported Stephens. In California Upton Sinclair has captured the State Democratic machine, and press reports say that George Creel and Senator McAdoo have swallowed a much-modified EPIC. Our inference is that Sinclair has embodied the Ohio Plan in his own, and that the newspapers still do not know enough about either to tell which is which. Our readers will be glad of the analysis of the two in the Washington letter of this issue. The primaries have given no hint that Republicans have even a rallying-point far behind the battle line where they may gather their broken forces. The campaign was to have been fought with plenty of money. A million dollars was going to be easy to raise. The million was not forthcoming, and the fund reached little more than $200,000. The bankruptcy of Republicanism in social philosophy is notorious, but that the National Committee should be insufficiently financed indicates decrepitude in the one power in which the Republicans have been supreme.

THE LONG-IMPENDING CRISIS in the German evangelical church has come at last. The autocratic methods of the Reich church have precipitated a nation-wide schism in the church organization. The attempt of the Reich church government to apply authoritarian principles to the control of the evangelical church and to do away with the historic system of parish government, which since the time of Martin Luther has been the foundation of the Protestant church, has met with the determined and as yet unbroken opposition of the Protestant clergy and their congregations. Opposition first raised its head when the Reich church attempted to force the church organizations of Bavaria and Württemberg to accept its control. Both organizations replied with prompt secession. The conflict reached its height

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when Reich Bishop Müller, without previous notification of the Berlin synod, entered the cathedral in Berlin and proclaimed his primacy over the German Protestant church. This gesture marked the official repudiation of the right of the German synod to conduct the affairs of the church. The dissident clergy left no doubt of its sentiments. In hundreds of congregations throughout the Reich protests were read against the arrogation of ecclesiastical power by the political clergy, and a uniform declaration was adopted which stressed the fact that Bishop Ludwig Müller, Dr. August Jäger, Church Commissioner of Prussia, and their supporters had "read themselves out of the Christian brotherhood and had forfeited every right within the church." The gravity of the opposition with which Hitler will have to reckon may be estimated from the fact that, according to the *Frankfurter Zeitung,* in Bavaria 90 per cent and in Württemberg 85 per cent of the Protestant clergy have taken their place behind the dissident bishops. To the church and its leaders, Protestant as well as Catholic, belongs the credit of having been the first to venture an open and organized opposition to Nazi tyranny.

THE REPORT that the Soviet Union and Japan are nearing an agreement regarding the sale of the Chinese Eastern Railway, if accurate, removes the immediate threat of war in the Far East. While the rumor that a definite understanding has already been reached is probably premature, it is distinctly encouraging to note that the price reported to be offered by Tokio—170,000,000 yen—is ten million yen higher than the amount demanded by the Soviet Union in August. With the purchase price practically settled, negotiations are likely to be concerned largely with the means of payment. Tokio is said to have offered one-third in cash and bonds and the remaining two-thirds in commodities, while Moscow will doubtless hold out for a larger cash payment. The chief barrier to settlement, however, remains the Japanese demand for Soviet recognition of Manchoukuo. Here no easy solution is apparent. Although Litvinov recently asserted before the League Assembly that the Soviet Union "cannot be morally responsible for decisions taken by the League in the past without Russia's concurrence," it is difficult to see how the Kremlin could take a step at this time which is in such flagrant opposition to world opinion. On the other hand, there can be no doubt that as an immediate neighbor the burden of the League's non-recognition policy falls much more heavily on the Soviet Union than on any other country, and it would scarcely be justified in carrying this burden at the risk of war. It is an issue which bids fair to tax the skill of Soviet diplomacy to the utmost.

FASCISM SUFFERS an important defeat in the retirement of General Owen O'Duffy from the leadership of the United Ireland Party and the Blue Shirts. His place with the Blue Shirts is taken by Commander E. J. Cronin, who is confident he can exert influence enough to keep this organization within the bounds set by former President Cosgrave, now the real leader of the opposition to de Valera. O'Duffy's resignation ends the danger of an early fascist assault on the existing order in the Free State. The General was an outspoken believer in the corporate state, and for a time he was drawing youth to his camp as though Ireland were destined to endure a great upheaval. President de Valera, himself dependent on the enthusiasm of youth in his opposition days, was paying the price of being in power in that he could not produce changes swiftly enough to satisfy his young followers. O'Duffy's gains, however, reached their peak, and Free State conservatism found itself unwilling to go the whole way with him. Cosgrave at last denounced some of his public utterances as extreme, reckless, and irresponsible. His resignation may not bring immediate peace, for hotheads in the Blue Shirt army may feel like forcing a last desperate fight before giving up their dreams. The downfall of O'Duffy coincides with news of the decline of the fascist movement in Great Britain. The break in the alliance with Lord Rothermere last summer checked its growth, and now the flow of contributions from hidden industrial sources has dwindled. Doubtless the Hitler massacres of June have had much to do with this decline.

AS A DIRECT OUTCOME of the Administration's crop-restriction program, the production of cotton abroad this year, for the first time since the Civil War, exceeded that of the United States. Preliminary figures indicate a total foreign output of approximately 13,650,000 bales, as against 9,250,000 in this country, a deficiency of 4,400,000 bales on the part of American producers. Behind these figures lies a very simple economic law, of which the Administration, unfortunately, appears to be completely oblivious. Any device which serves to raise the price of a given product tends to encourage production throughout the world, as well as to curtail demand. Foreign buyers naturally transfer their purchases to the cheapest market. One merely needs to look at the record. Five years ago, prior to the establishment of the Federal Farm Board, the United States furnished approximately 60 per cent of the world's supply of cotton, half of which was exported. During the first two years of the depression, as a result of the Farm Board's activities, American exports declined while the consumption of foreign cotton increased. In 1931-32 the attempt to support cotton prices was largely abandoned and the United States regained much of the ground lost in the two previous years. But with inauguration of the present restriction policies, foreign sales have once more declined, while foreign production has risen by 20 per cent. The threat of a permanent loss of our market for cotton would not be serious if it could be shown that the land and labor formerly devoted to this crop were now being more efficiently utilized in some other manner. But this is, of course, not the case. The fact is that as a nation we have deliberately abandoned one of our most profitable enterprises for the doubtful pleasure of maintaining one of the highest tariff walls in the world. And the price will be paid, as always, by those least able to bear it—share-croppers and other marginal producers, who will be forced from the land to seek a doubtful living from the relief authorities of the various Southern cities.

THE NEW YORK CITY TAX PLAN to finance unemployment relief, which the Board of Aldermen passed after it had refused the Mayor's 0.5 per cent tax on the gross receipts of business, has succeeded in pleasing nobody. The Mayor accepted it with reluctance because, although estimates of the revenue to be derived from it vary considerably, it is generally conceded that it will fall far short of the fifty million dollars needed, and other means to raise the balance will have to be found. The plan is threefold: it consists of

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a tax of 0.1 per cent on the gross receipts of business, which will, of course, be passed on to the ultimate consumer; a 15 per cent tax on federal income taxes paid in New York City, which will be difficult to collect, especially from non-residents; and the much-mooted city lottery. The last has aroused considerable protest on moral grounds, but it might be objected to more properly because of its costliness—it is estimated that not more than 44 per cent of the profits of the lottery will go to the city. It is a pity that the La Guardia administration, along with its admirable efforts to reestablish the city's credit, could not have devised a more acceptable means of increasing revenues, and that it should not have begun by insisting on a reduction in the sums paid to the bankers who hold first lien on city income. And it is a still greater pity that the Mayor, in his zeal to force through his own program for a business tax, should have temporarily cut off city relief on the ground that there were no funds to meet these obligations.

OF RUTH HALE, who died on September 18 at the age of forty-nine, the obituary articles said that she had been a newspaper woman herself, that she was the founder of the Lucy Stone League, that she had been the wife and was still the friend of Heywood Broun. What they might have added was that in these activities and in any others in which she chose to engage she was always and without ceasing a passionate contender. There were many causes that she championed, the outstanding one being the position of woman as at least the equal of man. But more than the cause she loved the fight. She never gave ground, never admitted the possibility of defeat, never asked for quarter. She was a good one to have on your side, and she would make it highly uncomfortable for you if she wasn't. In her whole life she was probably never once willing to accept a compromise. In addition her spirit was generous, high, sharp, and proud. She fought to be thought as good as a man, and her epitaph might well say that she was a better man than most of her opponents.

A SHOCKING DENIAL of ordinary rights to Negroes at a supposed court of justice has occurred in Pemiscot County, Missouri. Hailed before Justice of the Peace Max Kelley in the small town of Steele as a result of their organization activities for a Negro fraternal order, the Pacific Movement of the Eastern World, four St. Louis Negroes were unmercifully beaten by the spectators who thronged the courtroom. Their lawyer, also a Negro, was forced to flee and had no opportunity to represent his clients. As if this outrageous performance in his court were not enough, "Justice" Kelley proceeded to impose on each of the unfortunates maximum sentences for "unlawful assemblage"—a year in jail and a fine of $1,000, in effect 500 more days in jail at the rate of $2 a day for non-payment of the fine. We hold no brief for the Pacific Movement of the Eastern World, and it may be that these organizers would have done no particular good in Pemiscot County. Yet had they been confessed criminals they should have been protected from a courtroom beating. The Missouri Supreme Court, greatly to its credit, promptly took a hand in the situation. Sitting *en banc* it decided forthwith that the Negroes had been deprived of a fair trial and ordered their discharge. The extreme southeastern county of Missouri deserved a rebuke and it got one.

The Textile "Victory"

FRANCIS GORMAN'S exuberant claims of victory in the textile strike take on a bitter irony in the light of the news from the mill centers, where union members are being locked out by the hundreds and the workers are faced with one of the worst sell-outs in the history of American labor leadership. For even if the employers comply with every one of the recommendations of the President's board of inquiry, whose report the executive council of the U. T. W. A. accepted with such indecent haste, the workers gain not one of the specific immediate concessions for which they went on strike. Their union fails of immediate national recognition; the stretch-out system is not abolished; wage and hours for the time being remain as before. The Bruere board, which has been completely ineffectual in protecting the rights of textile labor, is to be replaced by a new tribunal created under the authority of Public Resolution 44. But the records of the steel and automobile labor boards, which are cited as models for the new textile labor board, are not encouraging, and these boards have been up against industries no more opposed to genuine collective bargaining than George Sloan and his fellow-manufacturers.

On the surface the report was not unfavorable to the workers. It admitted practically all their contentions, and, in passing, it outlined the fantastic procedure of the Bruere board in handling complaints from employees: "A digest of the complaint, omitting the complainant's name, was prepared by the board and forwarded to the Code Authority, a body composed entirely of textile manufacturers except for the three government representatives without vote." No wonder the employers played fast and loose with Section 7-a, and made the unskilled minimum the maximum even for highly skilled workers. The new board will at least be independent of the Cotton Textile Institute.

The stretch-out is to be studied by a Textile Works Assignment Control Board, composed of a labor representative, a management representative, and an impartial chairman. After February 1 an increase in the machine load will not be permitted without a license from this board, which will be issued only if the employer proves that the increase is necessary and desirable. But meanwhile the textile worker's load, which had become intolerable and, with low pay, was the principal grievance in the strike, remains unchanged.

The board recommends an investigation by the Bureau of Labor Statistics of actual wages and earnings now prevailing, and concurrently an investigation by the Federal Trade Commission into the economic status of the textile industry to determine "whether a wage increase based upon reduction in hours can, under the prevailing economic conditions, be sustained." But again the textile worker must be content with his present insufficient wages—providing he gets his job back—until these investigations are concluded.

In other words, the Winant report provides a framework, but nothing more, for improving the industry's labor standards and promoting collective bargaining. The textile worker, who has gone through three payless weeks of dangerous picket duty, martial law, and even concentration camps, has every reason for losing faith in his alphabetical heroes, the NRA and the U. T. W.

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A Challenge to the A. F. of L.

FOR all practical purposes, the organized labor movement in the United States is synonymous with the various unions, international and federal, which together constitute the American Federation of Labor. Anti-union employers, busy fashioning employee-representation plans, will hasten to deny this statement. Persons of a social-revolutionary turn of mind will no doubt squirm at the thought. But it is indisputably true; and that is why the hearts and thoughts of millions of American workers now turn toward San Francisco as the leaders of the A. F. of L. assemble for their annual convention. Will the federation profit by the psychological forces set in action by Section 7-a and define a future policy which will make it possible to realize the vision of a labor movement covering the entire rank and file of the American working class? Or will it relapse into familiar bad habits and concern itself principally with the job monopolies of the "aristocrats of labor"—the printers, carpenters, electricians, and machinists?

Within the past year and a half the federation has experienced an extraordinary growth. Although reliable data are not yet available, it is probable that membership totals have risen to four million or more. For the most part this expansion has been localized in two groups of constituent unions: on the one hand, some of the industrial or quasi-industrial internationals, such as the mine, textile, needle trades, petroleum, steel, and brewery workers; on the other, the numerous federal organizations by means of which the A. F. of L. has sought to push its way into the mass-production industries, such as automobiles, rubber, chemicals, and aluminum. But the expansion has been of a mushroom character, and even now the United Automobile Workers' Union seems to be in process of disintegration and the Amalgamated Association of Iron, Steel, and Tin Workers is rapidly losing ground. What is more, the feudal overlords of industry continue to push the company-union movement with unrelenting determination. The recent pronouncement of the National Association of Manufacturers on the Houde decision clearly indicates that open-shop industry will never voluntarily retreat from the stand it took in the Budd, Weirton, and Harriman cases—a stand which, unfortunately, was sanctioned by the President's settlement of the threatened automobile strike last spring.

Does the federation genuinely wish to preserve the gains of the past year? Does it truly desire to clear the way for the complete unionization of the American working classes? If it does, its course is clear. It must throw the full weight of its support behind those of its unions, already industrialized, which alone among the internationals have shown themselves competent to grasp the opportunity of Section 7-a. There must be an end, for example, of the kind of jurisdictional craft sniping by which the teamsters have sought to weaken the brewery workers. And the Executive Council, now as ever heavily weighted down by representatives of the craft groups from the building, metal, and printing trades, must be expanded to give full voice to the industrial groups.

More important still, the federation must preserve intact the organic unity of those lusty infants, the new-born federals. (These, it is said, number some 1,300.) The carpenters are on the warpath, and will probably attempt to perpetrate a craft raid upon the lumber and furniture workers. The machinists and the molders, it is to be feared, have not yet abandoned the idea, dating from early last summer, of breaking the automobile workers into jurisdictional bits. The electricians are sure to cock a contemplative eye at the public-utility workers. Given the slightest encouragement by the convention, the dues-hungry leaders of the craft internationals will not hesitate to tear the federal locals apart. Thus they will wreck that organic unity which at present constitutes the chief hope of a truly industrial trade-union movement in the United States. If the A. F. of L. permits this destruction to occur, it will not only be abandoning the best chance it has ever had of organizing the workers in mass-production industries; it will also forfeit all right to pose as the representative of the aspirations of American labor.

But it will not be enough merely to protect the federal unions against the threatened dismembering by the craft internationals. The A. F. of L. is in duty bound to go beyond this and to form the federals, wherever practicable, into internationals on their own account. No doubt it would be unwise, in view of the youth and immaturity of the federals, to set them all on their own feet at once. But at least two of them—the unions of the rubber workers and the automobile workers—are sufficiently advanced to warrant such treatment without delay. Moreover, there is reason to suppose that the automobile federal locals may disappear from the A. F. of L. scheme altogether unless they are granted autonomy—an autonomy that is unconditioned by any hand-picking of officers by Mr. Green and his inside group. In any event, the federal unions are highly suspicious of the good faith of the metal-trades and building-trades departments. These suspicions will not be allayed unless and until the A. F. of L. definitely gives them independent status.

Above all, the convention must be on the alert to repulse the efforts of Mr. Woll and his cohorts to conjure forth a red scare, and to commit the federation to a program of tracking down and ejecting its left wing. By its very nature such a red scare would be directed against the youthful, militant rank and file which has swarmed into the A. F. of L. during the course of the last year and a half. Any attempt to initiate an anti-red drive can have but one motive—to kill the marked tendencies toward industrial unionism which have been manifesting themselves in the A. F. of L. since the summer of 1933, and to preserve it as a paradise for the highly skilled craft aristocrats.

Code by code, the NRA has brought together industries for "self-government" on a vertical basis. It becomes all the more imperative, therefore, that the A. F. of L. should free itself from ancient subservience to craft concepts and begin to transform itself on industrial lines. Only thus can organized labor, unskilled standing side by side with skilled, make common cause against organized capital. This is the basic issue with which the A. F. of L. convention of 1934 must reckon.

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Guaranteed Mortgages

THE story of the guaranteed-mortgage racket told elsewhere in this issue of *The Nation* adds a sordid chapter to the history of American business. By questionable practices ranging from misleading advertising to the sale of certificates based on defaulted mortgages, the title companies marketing so-called guaranteed first-mortgage certificates deprived 300,000 investors of millions of dollars. Many of the victims of the mortgage racket have been left destitute by the loss of their savings, yet the New York Legislature has refused to provide adequate relief for certificate holders. Though numerous violations of the law were uncovered at the Moreland investigation, both city and federal officials have been extremely reluctant to prosecute the men who profited from the guaranteed-mortgage business. The legislators and the public prosecutors have been more than cautious when dealing with the wealthy and influential title-company directors, whom District Attorney Dodge described as "men of high standing."

Almost all the mortgage-relief measures passed by the legislature have been for the relief of the title companies, not the certificate holders. In April, 1933, the legislature enacted several laws to help the title companies out of their difficulties, but did nothing to protect the certificate holders. In fact, the laws passed at that time endangered the rights of the investors. This spring Governor Lehman vetoed the O'Brien bill, which would have permitted the reopening of the title companies under their old officers and directors. When the legislature was called in special session in August for the specific purpose of providing relief for certificate holders, the assembly had the audacity to pass the Cornaire bill, which was almost a replica of the notorious O'Brien bill. Fortunately, the measure was killed in the senate.

Many months elapsed before United States Attorney Conboy and District Attorney Dodge of New York City could be persuaded to take steps to prosecute the officials and directors of the title companies. When the whole unpleasant story was first exposed at the Moreland investigation in January and May, it was manifest to all that Martin Conboy, whose firm formerly represented the New York Title and Mortgage Company and who himself had acted as lobbyist for a group of title companies in 1933, was unfit to handle the mortgage investigation. The New York *World-Telegram* called on Mr. Conboy to have a special deputy appointed to examine into the affairs of the title companies. But Mr. Conboy refused to do this for many months, and it was not until August that Walter Brower was appointed to investigate the question whether or not the title companies had used the mails to defraud. District Attorney Dodge was equally slow to act. When the certificate holders demanded action, Dodge put them off by telling them that "certain legal technicalities" stood in the way of prosecution. A month later he was charged with "lax presentation of evidence" by the grand jury. The certificate holders picketed the District Attorney's office, and the New York *Post* and the New York *World-Telegram* persistently demanded prosecution; finally, on September 14, eleven directors of the New York Title and Mortgage Company, including W. Averell Harriman, Stanley P. Jadwin, and James A. O'Gorman, were indicted. These delays are extremely important because the statute of limitations for misdemeanors, with which some of the New York Title and Mortgage Company directors are charged, forbids prosecution for misdemeanors committed more than two years before. It is obvious that guilty officials benefit by every month of delay.

If State officials had properly supervised the business of the now defunct title companies, the present plight of the certificate holders could have been avoided to a large degree. Superintendent of Insurance Van Schaick permitted the four largest title companies to pay huge dividends in 1931 and 1932 when they could no longer meet their obligations. Mr. Van Schaick is now suing the companies to recover these dividends, which he should never have allowed to be paid. Violations of the insurance law were called to the attention of the Superintendent of Insurance, but nothing was done about them. Mr. Van Schaick has admitted that the State Insurance Department permitted the State Title and Mortgage Company to continue in business for two years after the department's examiners had reported violations of the law.

As long as the problem of providing relief for certificate holders remains in the hands of politicians, no adequate relief will be forthcoming. The assemblymen and senators at Albany have shown themselves to be chiefly interested in the patronage possibilities of relief legislation. The loud public outcry stimulated by the certificate holders and progressive newspapers practically forced District Attorney Dodge to act; perhaps the same tactics might prove effective in the case of the legislature.

An Ace in the Hole

TWO items of news from Washington, if placed side by side, make suggestive reading. One is the admission in Treasury circles that the budget will not balance next July, as promised by the President. The other is that a Minister of Transport may be added to the Cabinet. The items have no immediate relation. The unbalanced budget is a thing apart, a dismal proof that the recovery confidently expected a year ago has not materialized. Appointment of a Minister of Transport would be recognition of the vital place of transport in national affairs. What suggests itself is that the railroads, if the Administration only willed it, could be made a singularly potent agency to stimulate business, raise the general level of production, and help balance the budget.

The lag in recovery this year is not necessarily a defeat for the spending theory of the Administration. Spending has been much too late and not wisely planned. The original concept of the NRA was that the expenditure of $3,300,000,000 would revive business, while through other provisions advantage would be taken of the revival to make important social adjustments. But the three billions were not spent, and the other provisions tended to curb recovery. A new spending campaign was launched a year ago under the CWA, which again failed to bring sufficient returns. And now a further spending campaign is under way, much of it for relief. The result of the spending is not negligible; it has helped maintain a fair volume of retail consumption. But the depression is not so much due to the decline of retail con-

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sumption as to complete stagnation in the consumption of capital goods, such as machinery, transportation equipment, factories, and houses.

The campaign to induce householders to borrow money to repair their homes is an attempt to stimulate business without increasing government expenditure. The campaign has been slow to get under way but is being pushed with persistence in Washington, and its sponsors hope to see an ultimate volume of building of $1,200,000,000 a year. The full measure of success will not be apparent before the early spring. The economic theory of the Administration seems to be that business can bump along at its present level, helped by the gaining volume of building, and that by next spring the production level of 90 (Federal Reserve index, 100 being the 1923-25 average) can be attained. At this point it is hoped the capital-goods market will awaken of itself, and recovery of a normal kind will get under way.

This is banking on the success of the housing campaign, also on the spontaneous revival of the capital-goods market at a production level of 90. The President himself must wonder about the safety of waiting for the dice to fall. To use another gambler's idiom, he need not wait, he has an ace in the hole. He can bring a complete recovery to the capital-goods market any time he decides that the federal government will rehabilitate the railroads. Transportation stands at the beginning of a new era. An end has come to the development of heavy equipment. An end may have come to the development of electric motive power. The future may belong to light, streamlined trains propelled by Diesel motors. The future, too, may be a time of very much cheaper transportation.

The entire reequipment of American railways would cost a staggering sum. It also would meet formidable opposition from shortsighted capitalist interests which have everything to gain from cheap transportation. The railroads already are organizing a Railway Institute to prepare for the fight against nationalization. But it would be far wiser to spend government money in some such way than to go on pouring out indefinitely $100,000,000 a month in relief. We hope the talk of a Ministry of Transportation is well founded; for if the President decides to play his ace, it will help if the Transport Minister is already in the Cabinet to carry through the project.

Sweetness and Light

FOR persons slightly wearied of the constant alarms of the depression there is a refuge, an ivory tower, where only slight hints of the real world ever penetrate. While democracies and dynasties crumble, while governors and police chiefs shriek to Washington for troops else they perish, while millions walk the streets and quays of the world rubbing their bellies, a high calm prevails in the gravure sections of the nation's newspapers, sometimes called the slick-paper sections, or rotogravure. In the midst of elaborate devices for transforming into photographic drama one of the critical periods of history sit the Trappists of journalism dealing out quaint scenes in Brittany, Elks' parades, cute bear cubs at play, and curling movie queens.

A close examination of more than twenty-five leading newspapers a week after the textile strike had been called indicated that for gravure editors the world was a jolly place, mainly concerned with kings, queens (cinema), and animals. The most popular picture was a close-up of two butterflies displaying their gorgeous coloring. Pictures of women in various poses of undress numbered twenty-seven. Kings were runners-up with seventeen. France is definitely a backward country with the slick-paper editors. The Germans on parade are better, the British have their sure-fire king, and Mussolini is always lenient about posing with his "ruler" to help him crash the gravures. The actual count on kings stood: King George 7; Leopold of the Belgians 1; Carol of Rumania 2; Boris of Bulgaria 3; Victor Emanuel of Italy 3; and Gustav of Sweden 2. Stalin made one of the sections.

The Detroit *News* (the "home newspaper") used four pages of "Hollywood Unvarnished" as hundreds of thousands of textile workers were led away from their looms. These included two pages devoted to Mary Pickford and flashbacks of once famous screen stars. Mention was made that many girls went to Hollywood, some to stardom, some to crime, and others to "a fate worse than death." A faint hint that all might not be right with the world was contained in the Des Moines Sunday *Register,* which used the mural by a Tarrytown artist attacking the New Deal. The *Register* also ran two pages of "Hollywood Uncensored," showing Mae West from various angles, a smashing shot of her bedroom, and two pages of baby champions. While a harried man sat in the White House smiling and scores of bewildered hill-billies in the South rubbed their clubbed heads, the Milwaukee *Journal* printed in color Raphael's Alba Madonna, reported to have been bought from the Soviets for $1,500,000 by Andrew W. Mellon, along with the Elks' Band of Two Rivers, Wisconsin, two pages of "Under Hollywood's Skin," and an unusual picture of a Wisconsin wheatfield.

The New York *Herald Tribune* used a front half-page of a flying squadron of strikers on the march in the South and two other pictures of the textile strike. The New York *Times,* which is proud of its labor-news coverage, used no picture of the strike. It did manage to squeeze in a couple of pictures of some thrilling excavation work in Asia Minor.

Upton Sinclair may frighten editorial writers but not the gravure editor of the Los Angeles *Times,* who ignored the wolf in the donkey's clothing in favor of a page of "Glimpses of Africa," yachting, King George, the Bishop of London, and "Wonders of the West." The *Times* also displayed Mrs. Edward B. McLean, wearing the Hope diamond, back from Russia "after thrilling 'poor dismal Russia' [the phrase is Mrs. McLean's] by displaying her jewels." In New England, proud home of hundreds of textile mills, the Springfield *Republican-Union* used nothing on the strike. It did run a picture of onion workers in McGuffey, Ohio, but the caption failed to mention that the ungrateful onion strikers had left their useful work at ten cents an hour to whoop it up for better wages.

In the nation's capital the Washington *Star* featured the Roosevelt picnic, a pretty picture of the Mexican national cathedral, the ubiquitous butterflies, and a page of tobacco growing in Prince George County. North Carolina's Raleigh *News* indicated no strike but ran a picture of some geese taking part in the Magna Charta pageant in England.

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Issues and Men

The International Traffic in Arms

WHEN it comes to internationalism, pure and unadulterated, commend me to your big business men. You can always count on them to stand up in a merchants' association meeting or that of a chamber of commerce and denounce those misguided persons who believe that in international organization lies the chief hope of saving our present civilization. The internationalist of this type your business man classifies with Communists and everything else unpleasant. But, good heavens, when it comes to *practicing* internationalism you can't beat the banker, the manufacturer, the exporter, and the importer. They don't know any national lines when it comes to doing business, and they are absolutely opposed to giving any consideration whatever to international good-will or sound international policies if these conflict with their getting the almighty dollar. They don't care a straw to whom they sell airplanes, submarines, poison gas, rifles, munitions, battleships, or anything else. They are after the business and they propose to get it.

Senator Bone described the situation very accurately when he let out to the reporters who are covering the arms inquiry in Washington what some of the manufacturers were saying privately to the members of the committee. Senator Bone declared that these "merchants of death" admitted *in camera* to the committee that they knew this armament race we are engaged in was going to bankrupt the world, but that if they did not sell munitions somebody else would, so what was all the fuss and bother about? You cannot, of course, make a man like President Carse of the Electric Boat Company see that there is something immoral in licensing submarines to Germany contrary to the Treaty of Versailles. You cannot make the gentlemen of the aircraft companies, who are selling airplane engines to Germany by the hundreds, feel that there is something wrong in rearming a country with which we fought only a few years ago and whose subsequent disarmament we helped to decree.

I know the defense put up by these airplane gentlemen—that the airplane engines were for commercial aircraft. But there isn't anything selective about such an engine. If it can pull an airplane through the air from Berlin to London in two hours and a half with a load of passengers, it doesn't refuse when asked to repeat the trick with a load of soldiers and bombs. Of course it is not beyond the bounds of possibility that these same engines may some day be directed by men engaged in hurling bombs upon American soldiers. This seems utterly impossible now, but so did our going into the World War seem beyond the range of reason. Here again I suppose the answer will be that if we Americans don't give the Germans the airplanes they want somebody else will. Nor must it be thought that only Americans behave this way. We are all tarred by the same brush, especially England, which has apparently forgotten that the noble army that it sent to the Dardanelles was torn to pieces by British-made shells fired from British guns supplied by the British armament trust. Of course British gun-makers would explain that they never dreamed that there would be war between England and Turkey, but that is surely no alibi. I have not the slightest doubt that the British armament makers will be perfectly willing to supply Adolf Hitler with all the armaments that he can use and pay for without stopping to consider whether those armaments will not some day in the future be used against the flower of Great Britain. And not merely the flower of its youth. Bombs are no more selective than airplane engines. If English-made bombs are dropped on England in the next war they will fall on English women and children as well as on English men.

It is refreshing, therefore, to have Secretary Hull declare that his department is absolutely opposed to the export of arms or munitions to Germany. He was able to prove that he had taken this position as far back as August 5, 1933, and that he had notified an aircraft company on September 11, 1933, that "this government would view the export of military planes from this country to Germany with grave disapproval." But let us go farther than that. Let us forbid the export of arms in every direction, and then let us go ahead and declare a national monopoly of the business of making weapons of death. It would help us enormously in meeting the problem of the gangster, who has no more difficulty in buying sub-caliber machine-guns from the company that makes the Thompson weapons than has Holland or Germany or any other country. During the war Lloyd George solemnly promised a delegation of coal miners that if, thanks to the Almighty, England won the war, he would immediately proceed to nationalize the manufacture of all deadly weapons. I suppose that people will say that this is chimerical, that the nation must have private manufacturing establishments capable of making arms, which on the outbreak of war may be immediately set to producing ing shells, hand-grenades, mines, and all the rest. Others will argue that if the government takes over this industry it will immediately create great factories and insist upon these arsenals working steadily and piling up more and more munitions, with the local politicians helping in order to get more jobs for their respective voters.

Beyond doubt these are arguments worth considering. But surely something must be done about the present internationalism of the munitions makers and their stirring up of war scares and armament rivalries. This is nothing but a form of anarchy. Are we going to sit down and admit that we are doomed to that anarchy and that reasonable human beings can work out no other way of life? If so, the world is not only going bankrupt, as the munitions makers admitted to Senator Bone, but the nations are going to kill each other off.

Oswald Garrison Villard

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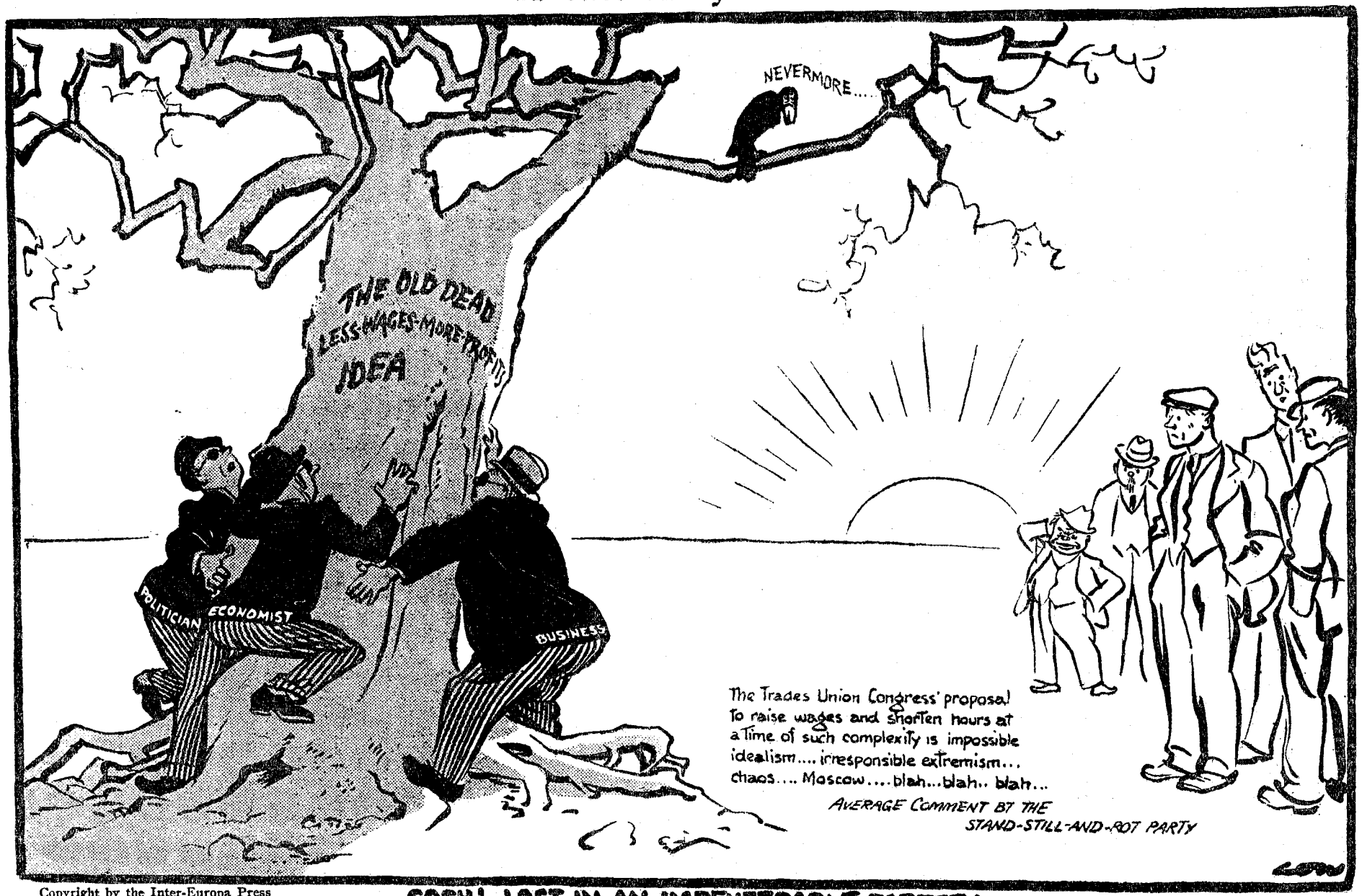
A Cartoon by LOW


NEVERMORE....
THE OLD DEAD LESS-WAGES-MORE-PROFITS IDEA
POLITICIAN
ECONOMIST
BUSINESS
The Trades Union Congress' proposal to raise wages and shorten hours at a Time of such complexity is impossible idealism.... irresponsible extremism... chaos.... Moscow.... blah... blah.. blah...
AVERAGE COMMENT BY THE STAND-STILL-AND-ROT PARTY

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GOSH! LOST IN AN IMPENETRABLE FOREST!

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"Was Europe a Success?"

WHILE Mr. Krutch's series of four articles, Was Europe a Success? was appearing in *The Nation* from August 15 on, a number of persons whose opinions it was thought would be pungent and interesting were invited to comment on them, whether or not they found themselves in agreement with Mr. Krutch's general thesis. Some of the answers will be found below. Others, including letters to the editors, will follow in an early issue.

Albert Einstein

Your articles Was Europe a Success? must make a great impression on thoughtful people. The humanitarian ideal of Europe appears indeed to be unalterably bound up with the free expression of opinion, to some extent with the free-will of the individual, with the effort toward objectivity in thought without consideration of mere utility, and with the encouragement of differences in the realm of mind and taste. I agree with you that these requirements and ideals comprise the nature of the European spirit. One cannot establish with reason the worth of these values and maxims, for they are matters of fundamental principle in the approach to life and are points of departure which can only be affirmed or denied by emotion. I only know that I affirm them with my whole soul, and would find it intolerable to belong to a society which consistently denied them.

I do not share the pessimism of those who believe that full intellectual growth is dependent on the foundation of open or concealed slavery. That may be true for eras of primitive technical development, where the production of the necessaries of life requires physical work by a majority of the people to the point of total exhaustion. In our time of high technical development, with a reasonably equitable division of labor and adequate provisions for all, the individual would have both time and strength to participate receptively and productively in the finest intellectual and artistic efforts his abilities and inclinations allowed. Unfortunately nothing approaching such conditions exist in our society. But everyone devoted to the specific European ideals will do his utmost to achieve aims of whose desirability and practicability an increasing number of right-minded persons are convinced.

You ask if it is justifiable to set aside for a time the principles of individual freedom in deference to the high endeavor to improve economic organization. A fine and shrewd Russian scholar very skilfully defended this point of view to me in comparing the success of compulsion and terror—at least at the outset—in a functioning Russian Communism with the failure of German Social Democracy after the war. He did not convince me. No purpose is so high that unworthy methods in achieving it can be justified in my eyes. Violence sometimes may have cleared away obstructions quickly, but it never has proved itself creative.

Bertrand Russell

First of all, what do we mean by Europe? As Mr. Krutch uses the term, it stands for a certain culture which was successively Greek, Roman, Arabic, West-European, and finally almost world-wide.

What are the distinctive features of this culture, as compared with that of, say, China? I do not think they are to be found in the realm of literature and art. One may prefer Greek poets to those of China, and Greek sculpture to that of Buddhist temples, but the difference is not so great as to cause us to regard the two civilizations as of different kinds. Nor is it easy to find any ethical difference between East and West. Mr. Krutch seems to regard the urbanity of Plato as something distinctive of Europe, but in this he is unjust to the Chinese philosophers, who were even more urbane, and certainly more favorable to individual liberty. Plato held that the state should teach a religion which he himself regarded as false, and that men should be persecuted for throwing doubt on it. Neither Confucians nor Taoists would have countenanced such a Hitlerite doctrine. And as for Christianity, all its moral precepts were taught by Chinese sages before the Christian era.

What made the Greeks peculiar among nations was geometry combined with a modicum of science. It is mathematics and science that have, throughout, characterized what we agreed to call "Europe." It is scientific preeminence that has enabled Europe to conquer the world, culturally in Japan and politically in most other regions. The gentlemanly elegance of Plato is not distinctively European; Europe has been warlike and clever rather than urbane. Plutarch's account of the defense of Syracuse by Archimedes gives the keynote of Western civilization.

Tolerance is a virtue which has been commoner in every other continent than it has in Europe. Christianity has been far the most persecuting of religions. During the last 150 years, it is true, there has been a brief interval of liberalism, but now the white races are reverting to the theological bigotry which the Christians took over from the Jews, who first invented the notion that only one religion could be true, and whose contribution to civilization has been part of the European tradition since the time of Constantine. Mr. Krutch seems to regard democratic envy as a falling away from Western ideals. Has he forgotten the ostracism of Aristides? Just about everything unpleasant in our age existed among the Greeks. They had fascism, nationalism, militarism, communism, bosses, and corrupt politicians; they had pugnacious vulgarity and religious persecution. They had good individuals, but so have we; then, as now, a considerable percentage of the best individuals suffered exile, imprisonment, or death. The only serious superiority of Greek civilization as compared to ours was the inefficiency of the police, which enabled a larger proportion of decent people to escape.

Europe has been superior to other continents, not in art or morals, but in knowledge and the power that comes of knowledge. When missionaries and firearms arrived together in Japan, the Japanese tolerated the former until they understood the latter; they perceived at once that Christianity was no better than Buddhism, but that guns were superior to spears and daggers.

I do not disagree with Mr. Krutch as to what I like and dislike; I disagree only in not regarding the disagreeable features of communism and fascism as any serious departure from the European tradition. Would either of us have found Sparta any pleasanter than Soviet Russia? Should we have liked to live in societies which put eminent men to death for not believing in witchcraft? Could we have endured early New England, or admired Pisarro's treatment of the Incas? Should we have enjoyed Renaissance Germany, where 100,000 witches were burnt in a century? Should we have liked eighteenth-century America, where leading Boston divines attributed earthquakes in Massachusetts to the impiety of lightning rods? In the nineteenth century, should we have sympathized with Pius IX when he refused to have anything to do with the Society for the Prevention of Cruelty to Animals on the ground that it is heretical to believe that man has any duty to the lower animals? I am afraid Europe has always been rather horrid. The period from 1848 to 1914 was better than most, but must not be regarded as typical.

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Fascism and communism result from the new possibility of realizing Roman ideals. The Romans had the religion of the state, which led them to institute roads, armies, and proconsuls. But with their technique they could not give effect to their belief in the corporative state. We, with machines, wireless, poison gas, and airplanes, can make the state as strong as Caesar would have wished it to be. No doubt the result will be a great change in the outlook and character of ordinary men and women, but it will be a change exactly in line with what has been distinctive of Europe. Government, except as the despotism of one individual, is a European invention, and has acquired in Europe more strength and more stability than elsewhere. The new type of man, if the modern experiments succeed, will be more docile and less individual than the men of other times; he will—under orders—be more cruel than Europeans of the last hundred years, but not more cruel than Europeans of all other ages; he will revert to the traditional intolerance, and will subordinate art, religion, and science to warfare and to collective wealth. But in all this he will be only carrying out the Roman tradition.

It is possible to admire Europe for the creation of scientific knowledge, and for conferring upon man a mastery over his physical environment such as no other continent had the intelligence to achieve. More organization and less personal initiative is necessary if the new power is not to bring disaster; and I do not doubt that, in the long run, increase of scientific knowledge must bring increase of happiness. We must not judge the society of the future by considering whether *we* should like to live in it; the question is whether those who have grown up in it will be happier than those who have grown up in our society or in those of the past. And the comparison must be with the average, not with the exceptionally fortunate. For my part, though this is a mere guess, I still think it probable that within another century or two mankind will achieve a new stability, in which there will be a higher level of average well-being than has ever yet existed. But if Mr. Krutch thinks otherwise, I cannot prove that he is mistaken.

ALDOUS HUXLEY

I should like to take this opportunity of saying how admirable I think these articles are. For condensed statement and judicious commentary they could not be bettered.

It is, no doubt, a typically and discreditably bourgeois reaction to events; but the fact remains that I become more and more firmly convinced of the need, *pari passu* with social planning, for individual psychological planning, for the investigation and systematization of old and the discovery of new techniques for getting the most out of the individual spirit, for enlarging the sphere of consciousness, for canalizing available energies. If social and economic planning is successful, the need for psychological planning will become desperately urgent; for it will be a world of widespread leisure. Mystical Communists seem to think that men will automatically turn into collective men and that such individual planning will be unnecessary. I find this impossible to believe, though I am convinced that it would be possible for governments which really understood the arts of education and propaganda—which at present, luckily, they don't—to do an enormous amount of mischief in the way of imposing a standard mentality on large masses of individuals. All the existing systems of psychological planning, such as the Christian mystical technique and the yoga technique, entail a great deal of ascetic self-control and "one-pointed" concentration; and the problem is how to make such painful efforts acceptable—for I imagine that any possible system of personal planning will entail the same labor. Can it be done without invoking some external and absolute imperative? I think it probably can. It is remarkable, for example, how many people will accept the hardships and self-denials of athletic training. It ought not to be impossible to make mental and spiritual training seem equally acceptable.

H. L. MENCKEN

The European system that Mr. Krutch was lately describing in *The Nation* is too new in the world for its probable fate hereafter to be made out with any confidence. Its beginnings, to be sure, go back to Periclean Athens, and maybe even beyond, but it remained only a closet dream of philosophers until the Renaissance, and it did not take on full reality anywhere until the end of the seventeenth century. It had a bitter struggle with the Asiatic system from the start, and that struggle is still going on. A great deal less than half of Europe, by Mr. Krutch's specifications, is European at this moment. Russia, after a timorous glance westward, has swapped one Asiatic despotism for another, and Italy, Germany, three of the four Austrian succession states, and nearly all the Baltic and Balkan states have yielded to the prevailing *Drang nach Osten*. The process may be only beginning, or it may be near its end.

The current, at the moment, seems to be running very strongly, and even irresistibly, in the former direction, but that seeming may be only seeming. The European system has always been extremely uncomfortable to multitudes of people, and more than once they have tried to wreck it, every time in vain. There is a kind of man who objects to it on the ground that it works against public order, and so imperils the great values of tradition, discipline, and security, and there is a kind of man who objects to it on the ground that it puts heavier burdens on the common run of men than they can bear. Both objections are heard today, and sometimes from the same man.

Without doubt, some plausibility is in them. That "movement away from the usual" which Mr. Krutch lists first among the manifestations of the European system is obviously full of dangers. The right to be one's own man involves the right to play the fool, and playing the fool is a sport that has been pursued with unprecedented assiduity for a century past. We have accumulated, during that time, far more new knowledge than all the ages preceding, but we have also had to endure a great increase in the world's stock of folly and delusion. Every time a new insulin or tetanus vaccine has come in, a new patent medicine has also come in, and every time some old superstition has been laid, two new ones have been launched. In government, the most backward of all the sciences, we have made some progress, and the common man is better off today than he ever was in the past, but we are still so far from a government that satisfies every reasonable human desire that debate on the subject continues to be violent and is almost universal, and quacks naturally find a great many customers for their nonsense.

But the right to be one's own man not only involves the right to play the fool; it also involves personal responsibility for one's follies, and with them for one's other errors and deficiencies. It is in this department that the European system works its worst hardships, and stirs up its bitterest enemies. The average man enjoys being foolish, for God hath made him so, and he glories in being incompetent for the same reason, but he is always greatly upset when he has to face the natural consequences. At such times he is prone to assume that his discomforts are the work of wicked men who have taken advantage of him, and to demand that the government protect him against them. The reasoning here has some holes in it, but it undoubtedly seems convincing to those who resort to it. And in cherishing it they are always supported by large synods of eloquent charlatans, each with something to sell.

At the moment such charlatans hold the stage, and their triumph seems to be almost complete. They have been given powers that match those of Sennacherib and Genghis Khan. It becomes, in many places, a felony to question their buncombe, and nearly everywhere it is at least an indecorum. But that they are in for a long reign is by no means sure. They'd have been wiser if they had been less eager to seize power. As it

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is, they are in the dangerous position, for all their high mightiness, of the poor fish who essays to be his own man. Soon or late their gaudy imbecilities will come home to roost, and having tasted the sweet music of the mob's huzzahs they will have to face the dreadful hazards of its ire. Each of these inspired and consecrated men has but one throat to cut. There has been some hemorrhage already, and there may be plenty more anon.

Well, what then? My guess is that the European system will turn out to have been very little damaged by the raid from Asia. Some of its defects I have rehearsed; its merits are too plain to need cataloguing. It is the system of civilization as opposed to barbarism; it is, for all its weaknesses, the great masterpiece of modern man, and the sum of all his achievements. Its salient virtue is that it liberates the mind of the individual, and throws him on his own. That great multitudes of men have nothing properly describable as minds and are lost when they are thrown on their own is an inconvenience, but hardly a valid objection to it. If it uses them badly, then the Asiatic system uses them even worse. Perhaps, after all, it may be well for humanity that they *are* used badly. The great problem before the world today is not how to preserve them but how to get rid of them. For so long as they survive, whether at the breast or on the bottle, the solution of every lesser problem of mankind will be impeded by the roaring of rogues and mountebanks.

JAMES BURNHAM

The charm of Mr. Krutch's manner must not be allowed to hide the danger of his ideas. His recent series, Was Europe a Success? is in effect a moral attack on the revolutionary movement, an attack all the more persuasive because written with such absence of bitterness, such a striving for impartiality, such evident sincerity. In brief, Mr. Krutch declares, the European man has painfully won for himself the assertion of certain key values—freedom, individuality, personality, detachment; whatever the evils that have accompanied the assertion of these values, they give meaning to life in the European sense; the revolutionists promise the destruction of these values, which is in result the destruction of European civilization and the European man; consequently (the conclusion is left implicit), to stand for civilization—in the only sense that civilization has meaning for us, in the European sense—is to stand against the revolution; the revolution, from the point of view of cultural values, is barbarism.

It will be seen that for writers, artists, intellectuals, to whom the articles are chiefly addressed, Mr. Krutch's argument undermines the moral foundations of their allegiance to the revolutionary movement. He tells them that to accept the revolution is to deny everything that they, and their cultural ancestors, have cherished. It makes allegiance to the movement an unstable emotional tie, comparable to sudden religious conversion of the psychopathic kind, since it involves a complete apocalytic break with the past instead of the integrated response of a developed personality to the totality of his intellectual and social environment.

It is not my purpose here to question the particular values in terms of which Mr. Krutch defines the European man. I shall grant that Mr. Krutch's values are roughly descriptive of what gives meaning to life for the European man, and reply: Not only does the socialist revolution not threaten to destroy these values; it is the revolution alone that gives any promise of preserving what of them is worth preserving. Mr. Krutch has written under a double confusion. His first confusion is metaphysical: though without an absolutist metaphysics to justify doing so, he treats his "values" as absolutes, that is, as having concrete meaning in the abstract. Now the truth is that values do actually have meaning only as embodied in specific historical circumstances. What the revolutionist rejects are freedom, individuality, personality, detachment, as these are embodied in capitalist society—that is, free competition and freedom of the workers from the instruments of production, individual lack of social responsibility, detachment to avoid the need for taking sides in the class struggle and to serve the interests of capital without directly engaging in exploitation (the detachment of the scientist inventing tear gas or new methods of mining). Because of his confusion Mr. Krutch identifies this specific rejection of concrete embodiments of these values with their "absolute" rejection.

Because of the capitalist associations tied to the words, revolutionists often write as if they rejected these values "absolutely." Such rejection in fact, however, would have no meaning. Mr. Krutch himself points out that freedom in the abstract is meaningless. It is only this freedom and that freedom that concerns us. Socialist society offers concrete freedom from exploitation, from starvation, from the constant worry over economic security that has so strangling an effect on intellectual and artistic effort at the present time, the morally tremendous freedom from the necessity of contemplating a world whose essential principle is injustice. Again the collectivization of production and distribution, quite to the contrary of what Mr. Krutch supposes, is designed precisely to release the individual, to enable him to develop his personality creatively and to the fullest possible extent by freeing him from abject dependence upon the economic order, by consciously making that order serve man and not man the economic order, as today he must. Likewise, the possibility of genuine detachment, we might almost say of actual as distinguished from illusory liberalism, depends for its realization on the establishment of a classless society. Every man is a social animal, and so long as society is irrevocably divided by the class struggle, detachment, liberalism, can be no more than veils of reaction or refusals to face the objective consequences of our attitudes. Thus, while it is true that Mr. Krutch's values as we know them—soiled by capitalism, at their best hardly more than noble wishes—will disappear, the revolution will not destroy but transform them. The revolution is not the enemy of civilization but the condition for the realization of a truly human civilization and for the historical embodiment of those values which Mr. Krutch will not willingly let die.

Mr. Krutch's second confusion is understandable. The writings and agitation of many Marxists themselves make the revolution appear the enemy of civilization. This may readily be explained. It is partly because the practical tasks of the revolution often make all other problems sink into the background (Ezra Pound once said that we do not argue over free-will in the midst of a shipwreck). Partly it is because the working class is the carrier of the revolution; and since the workers have never shared in what freedom, individuality, personality, detachment capitalist civilization has allowed, they are not so worried about preserving them. Partly, too, it is because of the corruption that has entered into Marxism under the leadership of the present regime in the Soviet Union, which includes an intellectual and philosophic degeneration that must indeed be resisted. Such resistance, however, is worse than futile from the enemies of the revolution. It can come effectively only from its active friends.

No, Mr. Krutch puts this question wrongly. He is right to be concerned over values: it is not a society of animals to which we look forward. But it is the old order that threatens the destruction of his values. Can Mr. Krutch, who has written so well on the disintegration of values in the modern world, doubt this to be so? And it must be so. Hitler is no Teutonic accident. He is the cultural price we pay for the preservation of the rights of private property. And black Germany is an early twilight to the darkness that lies close in the capitalist future. The side of Mr. Krutch's values, the side of civilization, is the side of the workers' revolution.

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Exposing the Death Business

By WILLIAM T. STONE

Washington, September 19

IN the course of three weeks' public hearings in Washington the Senate Munitions Committee has exploded more dynamite than the armament makers ever dreamed of producing. Whatever the final outcome may be, the opening phase of this unique investigation has brought out more information on the subject than has ever been exposed to public view before. It has confirmed virtually all the charges brought against the private armament industry in the past. The committee has demonstrated that the armament industry has fomented war scares, sold instruments of death to both sides in civil wars and international wars, bribed government officials at home and abroad, blocked armament embargoes, disregarded treaties of peace, interfered with disarmament conferences, lobbied for armament programs, employed spies in foreign armies, used army and navy officers as sales-promotion agents, profiteered at the expense of governments, participated in secret international agreements for splitting profits and dividing world markets, and sold patents and secret designs to foreign countries.

Each of these charges has been established by correspondence taken from the files of the American armament corporations and amplified by the sworn statements of armament officials. Bribery, the committee has discovered, is generally accepted in the trade as a necessary element in the promotion of munitions sales. It is the customary practice, although not always the public policy, of those engaged in this bloody business to pay "commissions" which sometimes amount to 40 or 50 per cent of the gross contract price on an armament order. With Sir Basil Zaharoff, who received more than two million dollars for promoting submarine sales for the Electric Boat Company in Europe, the practice is delicately referred to as "doing the needful"; with other less tactful agents it is simply acknowledged as "graft" or "grease."

Arming both sides in time of war is revealed as another common practice among the so-called "reputable" munitions firms. Du Pont powder was sold to Bolivia and Paraguay in the Chaco war; Curtiss-Wright airplanes were sold to Colombia and Peru in the Leticia conflict; United Aircraft motors were sold to all four South American belligerents and to Japan and China. Federal Laboratories, Inc., of Pittsburgh, carried the fine art of double-dealing to even higher levels when it sold gas bombs simultaneously to all factions in strife-torn Cuba during 1933. The Cuban agent of this enterprising concern was authorized, according to a memorandum submitted for the Senate record, to take a 15 to 20 per cent commission on all contracts signed with the Grau San Martin Government in November, 1933, and 10 per cent on sales to the Mendieta opposition faction. Previously Federal Laboratories had furnished Machado with weapons to combat the revolution.

Arms embargoes and similar efforts to terminate hostilities mean little to munitions makers. The du Pont company assured President Roosevelt of its whole-hearted cooperation in enforcing the embargo on shipments to Bolivia and Paraguay, and then promptly advised its secret ally, Imperial Chemicals, Ltd., of London, to bid on this business. Du Pont was prepared to take its share of the profits without any noticeable twinge of conscience.

International agreements, the Senate committee has discovered, are disregarded with equal *sang froid*. The huge du Pont Company, which boasts of the part it played in preventing the United States from becoming a "German colony" in 1917-18, is now revealed in the act of signing a contract with a notorious military spy for the sale of military propellants and explosives to Nazi Germany. The United Aircraft and Transport Corporation has stepped-up its sales of engines, planes, and parts since Hitler's advent to power and sold its patents on high-powered, air-cooled engines to the Bavarian Motor Works, which is producing military machines for Göring's huge air rearmament program.

Disarmament conferences, according to correspondence from the British firm of Vickers, Ltd., would appear to be "meddlesome" bodies which interfere with armament contracts, while efforts to settle South American disputes are described by officers of the Electric Boat Company as the "pernicious activities of our State Department." In 1925 the Electric Boat Company actually approved a plan to have its South American agent appointed a delegate of Peru to a League of Nations disarmament conference. The agent, who had formerly been a commander in the Peruvian navy, wrote the company that his motto would be "no quotas for submarines" for South America. The company's sole opposition to this appealing plan, it seems, was the fat expense account demanded by the agent for the trip.

The operations of the profit system as applied to the manufacture of instruments of death are brought out by the histories of the Electric Boat Company of Groton, Connecticut, and the E. I. du Pont de Nemours Company of Wilmington, Delaware. The first is engaged primarily in the manufacture of submarines for the United States government and foreign navies; the latter is a vast industrial empire built in part from the profits of smokeless powder sold to the United States and the Allies during the World War.

When the Electric Boat Company was organized about 1900, it held certain basic patents for the construction of submersible boats. These boats had no commercial use. Had the United States navy possessed the designs it would have been able to build a vessel superior to that built in any other country. As the property of a private concern, however, the basic patents were subject to exploitation for private profit. Accordingly, within a year of its organization, the Electric Boat Company began to sell its patents. It began by making a secret agreement with the British firm of Vickers, Ltd. This agreement as modified in 1912 and 1924 remains in effect today. The British firm agrees to pay its American partner some 40 per cent of all profits for submarines built for the British navy, and 40 to 50 per cent of the profits on all boats built by Vickers for European countries. It divides world markets between the two companies; the territories of the British empire are reserved ex-

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clusively to Vickers, while the United States, its territories and possessions, and the Republic of Cuba are reserved exclusively to the American firm. The rest of the world, with certain exceptions, is described as "common territory" in which both companies are free to ply their trade.

Such agreements, of course, are typical examples of monopoly capitalism. Their social consequences are startling when applied to the traffic in arms. Under this alliance, for example, every submarine built by Vickers for the proud British navy brings a profit of more than $100,000 to the American concern. The latest secret processes in the United States are revealed to the British navy, and through Vickers to Mitsubishi in Japan and to Vickers subsidiaries in half a dozen other countries. Moreover, through license agreements sold by the American concern directly to private companies in Spain, Belgium, and other countries, American-designed submarines have been built all over the world. In fact, even the German submarines which took their toll of American shipping during the war were built in part on American designs—although they were stolen, it would seem, from a company which had been licensed to build American submarines in Austria-Hungary in 1913. The Electric Boat Company actually sought to recover $40,000 on each of the 400 submarines built by Germany during the war.

Similar in all essentials are the agreements between du Pont, Imperial Chemicals, Ltd., of England, and the German explosives trust, D.A.G. (Dynamit Aktion Gesellschaft). These three companies share profits and divide the world market as do Vickers and Electric Boat. They act in concert to choke off outside competition, share the expense of sales promotion in South America and Europe, and freely exchange confidential information on new processes which they develop. When an independent European firm sought to build a powder factory for the Argentine government a few years ago, du Pont and Imperial Chemicals cooperated successfully to block the contract. The establishment of government factories in profitable sales areas is not to be encouraged. It was this secret compact with Imperial Chemicals, Ltd., which permitted du Pont to circumvent President Roosevelt's arms embargo in the Chaco.

When the Nye committee disclosed the fact that profits from armament sales come before patriotism, it punctured one of the pet arguments used by munitions makers to support the private manufacture of war materials. The contention that private industry is patriotically supporting the national-defense program of the United States is effectively shattered when it is shown that armament orders placed with American concerns are transferred to foreign associates whenever the financial return appears to warrant. Of the 391 submarines built by the Electric Boat Company during its thirty-five years of activity, 238 were constructed in foreign plants operated by its licensees or associates. When this same American company was invited to bid on submarines for Chile in 1927, the vice-president of Electric Boat cabled Vickers suggesting that the British firm take this business, since Electric Boat was already building submarines for Peru, and relations between the two countries were strained over the Tacna-Arica controversy.

The conflicting loyalties of these armament firms has been brought out in other ways. From the testimony of Electric Boat officials it appears that relations with the United States Navy Department were somewhat strained for a period of years because the navy wished to use Electric Boat designs without the recompense which this private concern felt it deserved. The company followed with apparent satisfaction the unsuccessful efforts of the navy to build its own submarines in navy yards without Electric Boat designs.

The practice of sending naval missions to South American countries is a case in point. Beginning in 1920 the Navy Department sent a large naval mission to Peru to advise that government on a naval expansion program. The commission, it appears, recommended among other things the purchase of submarines, which were eventually furnished by the Electric Boat Company. A few years later, however, when Peru became involved in the Leticia controversy with Colombia, the Navy Department "loaned" an officer in the naval air force to advise the Colombian government on an adequate defense program against Peru. This officer, Lieutenant Commander James H. Strong, submitted a program for the defense of the ports of Colombia against attack from Peruvian submarines and other naval vessels built on the recommendation of the earlier naval mission to Peru. His report to the Colombian government was drawn up in collaboration with L. L. Driggs, president of the Driggs Ordnance and Engineering Company, whose guns were strongly recommended as the best available. In both cases officials of the American companies testified that the naval advisers had been "helpful" in securing the armament orders.

The army and navy appear to be "helpful" in many other ways. In 1929 the United States cruiser Raleigh was used in Constantinople to demonstrate Driggs guns to Turkish officials who were then contemplating a naval program. The War Department, moreover, was willing to release the designs on its latest anti-aircraft guns to the Driggs Company for inspection by foreign governments, provided the company was able to obtain a "substantial" foreign order. The War Department and the Navy Department have given private armament firms the benefit of secret processes developed for the United States government at the cost of millions of dollars to the American taxpayer. The Commerce Department has cooperated with private airplane companies by recruiting former United States army and navy pilots to operate flying schools in China, thus promoting military sales in the Far East.

What will come of this investigation? The more immediate question is whether it will be allowed to continue. Pressure has already been brought and heavier pressure will follow. So far, the committee has not allowed itself to be deflected from its course. Senator Nye and a majority of his associates declare that they have only begun to scratch the surface and will proceed. But the test will come in November when the committee plans to resume public hearings. Then the heat will be turned on in deadly earnest. It will be charged by interested parties that the investigation will inflict irreparable damage on American commerce in Latin America and throughout the world, that it will wreck American firms which are striving to keep their heads above water, that it will play into the hands of foreign competitors, and that it will undermine our whole system of national defense. It is quite likely that American armament firms will suffer a loss in foreign trade as a result of the Senate exposure—although more than one will doubtless continue to draw profits from its European associates and licensees. And the War Department may well fear the exposure of its existing

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system of national defense. For if the committee is to serve a useful purpose, it must inevitably examine the basis of our national-defense policy. When it does, it will discover that the War Department's mobilization plans are only remotely concerned with the defense of American soil, and that they are designed primarily to meet the needs of a mass army of four million men for participation in another world war in Europe or Asia. The munitions makers are indeed essential to that plan. They are part and parcel of the war system, as well as the profit system. In the final analysis they and their bloody traffic can only be curbed through a basic revision of our national policies.

The Trade Union Congress

By HAROLD J. LASKI

London, September 9

THE British Trade Union Congress has just concluded its annual session. The keynote of its proceedings was, I think, to be found above all in the speech on fascism by the secretary, Mr. Citrine, which preluded a resolution of the congress reaffirming its faith in democracy and democratic methods. Mr. Citrine showed with great ability the injury that fascism has done to working-class standards of life. He exposed with eloquence and conviction its brutalities, its complete lack of any coherent philosophy, its inability to solve the problems of capitalism in crisis. But when it came to the more positive task of explaining how the trade unions of Great Britain propose to fight the development of fascism in this country, I do not find that Mr. Citrine had any concrete suggestions to offer.

The congress considered the problem of war, and it duly registered a proper abhorrence of it. But it was not prepared to do more than pledge itself, if war seemed imminent, to calling a special congress to decide upon what action should be taken. While it was careful not to rule out the general strike against war, the emphasis laid on the unfairness of asking the trade unions to bear the brunt of a fight against it, and the insistence that the breakdown of trade unionism in fascist countries limited the validity of the technique, suggested to most observers, I think, that any drastic pacifist action by the unions was hardly likely. If we drift into war again as in 1914, it is not unfair to suppose that the industrial side of the movement will be as unprepared as it was on the previous occasion.

The congress passed some mild resolutions demanding a public corporation for the iron and steel industry and the establishment of a control board for cotton. Mr. Clynes moved a resolution—hardly discussed at all—stating in general terms that capitalism had broken down and that only socialism could provide a remedy for the ills of the time. But the whole atmosphere of the congress was, I think, essentially reformist in temper. Speech after speech was made of which the emphasis was almost an anxiety to rebuke the left wing of the political movement. The mind of the trade-union leaders, unless I am gravely mistaken, is occupied with maintaining the present position rather than with searching for the foundations of a new equilibrium. One acute observer of the proceedings remarked to me that the leadership today is more conservative than at any time since the close of the war. That is, I think, an exaggeration. But it is certainly true that the leaders are less inclined to any action which might jeopardize the present position than at any other time in my memory. Their bitterness against the Communists, who are certainly the least wise of strategists, is so profound that their antagonism extends even to a Marxian diagnosis of the position in which British capitalism finds itself. The result is that trade unionism in Great Britain is marking time. It needs some big event to galvanize it into that reconsideration of its fundamental principles which it gravely needs.

But the congress bodes ill for the Labor Party conference which meets at the beginning of October. That conference is likely to be a historic one. It will set the direction of the party for the next general election about as decisively as any event in the next two years. Roughly speaking, there are two main tendencies at work in the party. The first, by which its executive is dominated, may be described as Fabian in temper. While it sets before itself a general Socialist objective, it is anxious at all costs to avoid antagonizing any section of public opinion whose votes may give it seats. It is as passionate in its opposition to the Communists as it is to the National Government. It seeks to evade any discussion of those delicate issues, like the power of the Crown, which it is traditional in England to screen from the public view. It refuses to think of the class war as the basic issue of all politics in a capitalist democracy. It is for the public corporation as the best way of nationalizing industry. It is vague about India and colonial policy. Its international outlook is built upon the assumption that good-will and energy can make the League of Nations work and effect a large measure of disarmament. It is for large measures of social reform, especially in the field of education; but it does not face, notably in education, that bias of class in the system which is the real curse of the British structure. I do not do this school of labor thought any injustice, I think, if I say that its outlook is pretty much what one might expect from a Liberal of the *Manchester Guardian* outlook. It hopes to transform capitalism piecemeal without attempting any measures which would forfeit the confidence of a liberal-minded capitalist.

The other tendency is represented by Sir Stafford Cripps, behind whom are most, though not all, of the intellectuals, the remnants of the old Independent Labor Party, perhaps the major part of the Opposition front bench—including Mr. Lansbury, the leader of the Parliamentary party—and a few of the younger trade-union leaders. They still hope for a peaceful transition to a Socialist state in England. But they take the view that a Labor government which seeks to retain the confidence of capitalists will merely meet the fate of the government of 1929-31. They want therefore a drastic and immediate Socialist program which attacks the foundations of capitalist power. They prefer to say frankly what this program may imply even if it meets

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with defeat at the next election. They are anxious, whatever the cost, not to win merely by the disgust of the voters at the reactionary policies of the National Government, but positively by electoral acceptance of the right to go forward immediately on a wide front. They may be described as neo-Marxists who take the class war as the basis of their program and refuse to delude themselves into the belief that capitalism can be overthrown in any way save by a frontal attack.

The significance, I think, of the Trade Union Congress is the indication it offers of the attitude the big unions will take to this cleavage of opinion. There seems every reason to suppose that they will line up solidly behind the executive. Sir Stafford Cripps will influence the local parties; but unless there is some big shift in the next two or three weeks, he will not be able to influence many of the three million votes the unions will cast. He will have the cooperative delegates solidly against him. He will be attacked for raising issues which it is unwise to discuss in the public view. He will be told that hundreds of timid voters in the last batch of by-elections either abstained or voted conservative for fear of his program; and he will be warned that in discussing industrial issues he is entering a field that belongs to the trade union and not to the political leaders.

There have been occasions in the last twelve months when Sir Stafford Cripps has not, perhaps, been as wise in his choice of phrases as a more experienced politician would have been. But that he is right, and the executive wrong, in the diagnosis of the position the Labor Party confronts I have no doubt at all. What pays in politics is courage and frankness; Sir Stafford Cripps has both. The policy he stands for may not win the next election, but it is the only policy that would make it possible for a Socialist government to move directly to Socialist measures. The policy which the executive proposes either demands a period of capitalist recovery—which there is now reason to expect—or will mean a repetition, after the first few weeks, of the experience we encountered under the MacDonald-Snowden regime. Winning socialism is not likely to be a picnic under any circumstances, and the executive's notion that it can be effected with the good-will of those whose privileges are to be abrogated seems to me contrary to all historic experience.

It is quite true, as the executive insists, that Sir Stafford Cripps causes deep disturbance among the opponents of socialism. I believe myself that a Socialist leader ought to arouse a sense of disturbance in such quarters. But it is also true that, Mr. Lansbury apart, no one figure in the movement has anything like his hold upon the mind and heart of the rank and file of the party. In 1924 and in 1929 a Labor government sought to win the confidence of capitalism by socialism without tears. The only result of its policy on each occasion was its contemptuous rejection by the electorate. What the party has to realize now is that the electorate is prepared for big achievements and in the mood to respond to a big lead. All the evidence goes to show that it is sick and tired of a position in which Mr. MacDonald is far behind even the best progressive opinion of Conservatives. But the electorate is not yet certain that the Labor Party knows in which direction it is to move. If we are to remain a capitalist society, it not unnaturally thinks that the direction of such a society is best intrusted to those who believe in its principles. The Labor Party has to do something more than affirm its faith in socialism. It has also to develop a strategy which convinces the voters that its faith is something more than a pious aspiration. The October conference has the chance of providing that conviction. But I confess that the proceedings of the Trade Union Conference do not leave me persuaded that it will be forthcoming.

EPIC and the Ohio Plan

By RAYMOND GRAM SWING

Washington, September 24

A STRANGE catalogue is on view in an office of the Federal Relief Administration. From a commercial standpoint it is not prepossessing. Large and ungainly, with thick sheets, it is not even printed, but consists of photostat copies of a lay-out of drawings and text descriptive of an array of manufactured goods. This catalogue is not for you and me, unless you happen to be unemployed, and live in Ohio. But if you fill both conditions, the catalogue shows you the products you may obtain from the dozen factories operated under the Ohio Plan. You cannot pay for them with money, but you can buy them nevertheless. The currency of your purchase is the work you do in excess of the hours you work to draw your $20 relief money.

This catalogue, and all it represents, poses one of the many fascinating questions of economics thrown out by the New Deal. The unemployed are working for the unemployed. They are making goods to be exchanged among themselves outside of ordinary business channels. Immediate questions suggest themselves. Has the government financed these men to compete with ordinary business? Was Upton Sinclair right when he told California voters that EPIC was in line with what the government is doing? If relief money finances production outside the business system, does it reduce production within the business system? What is the political philosophy behind a policy which sets the unemployed to work for one another?

EPIC and the Ohio Plan may look alike but they have fundamental economic differences. EPIC, as Sinclair originally proposed it, included a plan to place the unemployed in an insulated community, working to provide one another with all their necessaries, the cost of their relief to be lifted from the shoulders of taxpayers. Under the Ohio Plan workers are not insulated. They do not provide one another with all necessaries. The plan does not reduce the cost of relief to taxpayers by a penny.

Assume that there are enough usable farm lands and idle factories in California to make EPIC a going concern, capable of supporting 250,000 adults. Assume, too, that the support of these people can be lifted from the shoulders of the taxpayers, and that this will save $20 a month for each person, or $60,000,000 a year in relief. (It does not matter

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to the argument if these are not the correct figures.) Private business would thus be deprived of $60,000,000 of expenditures, unless taxpayers spent the money otherwise, which they would not do. This sum would be the loss to private business, and workers in private business would have to be laid off. The new unemployed would join EPIC; private business would suffer still more; and a process would be begun which must end in the bankruptcy of private business and the absorption of all labor in EPIC. This would be socialism, achieved through the bankruptcy of private business. It is the most roundabout route to socialism yet proposed. When he was in Washington, Upton Sinclair was shown the photostat catalogue and told about the Ohio Plan. He announced that he was delighted with it. Since then peace has been made between Sinclair and George Creel in California, which sounds as if the Ohio Plan would be substituted for EPIC in California.

I have said that in the Ohio Plan the unemployed are not insulated and the money spent on their relief is not reduced by any production they undertake. Does this production still compete with private business? A dozen factories have been leased in Ohio to make the articles advertised in the photostat catalogue. These factories were previously idle and are not now in production for any consumers but the unemployed. A pledge has been made by the administrators of the plan that if ever a factory is able to manufacture profitably for general consumption, it will be turned back to the private business world. A pledge also has been given that if a worker in a leased factory refuses a job under a private employer, he will be dismissed. These are the guaranties that the system will be limited to supplying the unemployed and will not compete with private business.

Suppose, however, that a recipient of relief buys a pair of trousers from an Ohio Plan factory. Does private business lose the sale of a pair of trousers? The trousers are not bought with relief money; they are paid for in labor. The amount of relief remains the same, $20 a month. With only this much to spend, the worker might not have bought trousers. But this does not fully answer the question. Ultimately the worker might have to buy trousers, and if he could not take them from one of the Ohio Plan factories he would go to his local clothing store. A considerable volume of private business is done in supplying the needs of people on relief. Some of this business is being lost to merchants. It begins to look as if there were truth in the charge that the government is setting up the unemployed to compete with private business. But let the argument be carried a step farther.

If an unemployed man in Ohio has $20 to spend and does not have to spend any of it on a pair of trousers, he will spend it on something else. He may, for example, pay his rent, which otherwise he could not do. Then his landlord has money to spend. The clothing store, where he might have bought the trousers, is poorer, but the landlord's merchants, perhaps his tailor, will be richer. The owner of the clothing store may feel he has a grievance against the Ohio Plan, but actually his grievance is against the change in the distribution of the money spent. His business in particular has suffered, but another business has benefited. Business as a whole is as well off as before.

The value of the goods produced by all the schemes of the FERA similar to the Ohio Plan was $60,000,000 last year, and this year will be $150,000,000 or $200,000,000. More than half of this is in foodstuffs, chiefly canned goods. This is not money lost to private business as a whole; it is the amount of money subject to a different distribution owing to the fact that the unemployed are producing for one another.

The economic effect on private business is only one consideration. The effect on the recipient of relief is surely as important. In Ohio a man who receives only $20 a month in relief can obtain more in goods by working extra time. He can have clothing, furniture, bedding, which otherwise would be beyond his means. The cost of his relief is not increased, yet some semblance of a decent standard of living is restored to him. That is the philosophy behind the project.

It may be reasonably argued that the production now done by the unemployed could be done still better by private business. In Great Britain all unemployment benefits and relief are paid in cash, which flows straightway to the channels of private business. The unemployed worker on the dole in England buys his necessaries from his local store or his cooperative. Relief in England helps maintain a steady minimum level of private enterprise (if the cooperatives for the moment can be considered private). It raises no problem of redistributing a given volume of business.

Private business may look askance at the Ohio Plan, at the numerous canning factories operated in conjunction with relief, at New Hampshire, where all the clothing needed by the unemployed is made by the unemployed themselves, at the sewing rooms in North Carolina which have dressed thousands of Negro children in the State. But all these are efforts to stretch the relief, to make it of greater aid to the unemployed. If the business community wants to have this production, it may and can have it. The answer is to increase the amount spent on relief. Instead of $20 a month, the amount might be increased to $40 a month, which for five million cases would cost $200,000,000 a month. At this rate, the need to stretch relief would greatly decrease. A bargain might be made between the Administration and business that at this rate the unemployed would not be permitted to work for one another. Business cannot consistently complain of the disturbance to business and at the same time oppose increasing expenditure for relief. So long as the sum paid to relief recipients is only $20 a month every human impulse must urge relief administrators to stretch this as far as it can go, provided the activity is not deflationary. If business is disturbed in the process, business can choose whether it prefers the disturbance to heavier borrowing for relief.

What is there to prevent the nation-wide application of the Ohio Plan? Upton Sinclair is sure to extend it in California; why not let the unemployed everywhere maintain as high a standard of living as possible? That presupposes that the Ohio Plan is here to stay, to be embodied in the economic system of America. It would be a novel and cheap system of relief. A destitute family in this country now receives about half as much as a similar family in Great Britain. By the widest extension of the Ohio Plan the American family could maintain as high a standard of life as the British. The plan also satisfies the objection of Americans to paying aid in cash, an objection long since silenced in England.

But the Administration is not thinking of making the Ohio Plan part of the American social structure. It is dis-

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cussing two general lines of approach—social insurance as one type of security and genuine recovery as a still better type. Nobody in Washington wants to see relief on a vast scale given a major and permanent part in the American system. Hence the inventors of the Ohio Plan stand little chance of seeing its nation-wide operation. If they advocated it, they would be certain to meet strong political opposition. The plan would lead to a nation-wide dislocation of business, even if it did not reduce its total volume. The businesses hurt would set up the loudest howl. And it would be hard to prove to them that they were only being hurt for the benefit of other businesses. Nor would it satisfy them to be told they had to make only one such readjustment, for many of them would be facing permanent loss. Great political pressure would be brought on the Administration to curb the radicals under Harry Hopkins. It would be the kind of pressure the Administration could not easily withstand, unless it was ready to make the Ohio Plan part of the lasting scheme of things.

If the Ohio Plan on a nation-wide scale would encounter political objections, the men in the FERA must ask themselves if it is worth doing at all. It is safe politically only if it is kept within modest bounds, as at present. But if it is held to a small scale, it does not stretch the relief for all recipients, and some are better off than others. Such is the dilemma which arises in a vast social experiment like federal relief. The appearance of Upton Sinclair has not made the solution any easier. California receives a federal grant from the FERA of $42,000,000 a year. The Ohio Plan is pretty sure of a great boost if Sinclair is elected.

[*Mr. Swing contributes a regular weekly letter from Washington.*]

The Guaranteed-Mortgage Racket

By HAROLD SEIDMAN

NO relief is in sight for the 300,000 holders of so-called "guaranteed" first-mortgage certificates. Completely absorbed by the races at Saratoga and by partisan political battles, the New York State Legislature displayed neither desire nor willingness to provide adequate relief for certificate holders at its recently concluded special session. Meanwhile these victims of practices which Assistant State Attorney-General McCall said "even a most questionable stock promoter would hesitate to imitate," have been left holding the bag containing $800,000,000 in certificates which they have not been able to liquidate. Their repeated pleas for relief have either gone unheeded or been met by legislation primarily designed to aid not the unfortunate victims of the guaranteed-mortgage racket but the defunct title companies.

A vast majority of these certificate holders are small conservative investors, the proverbial widows and orphans, who were attracted by the apparent safety of this type of security. They were told that they had a triple guaranty—the financial security of the bondsman, the security of the mortgaged property, and the guaranty of the company. It was pointed out to them that as far back as 1918 the New York Legislature had authorized executors and trustees to invest in mortgage certificates. The advertisements of the title companies continually stressed above all else the safety of their securities. Led on by the apparently irrefutable arguments of the advertisements, many persons invested their entire life's savings in mortgage certificates.

Almost all this advertising was either false or misleading. W. B. Clarke, vice-president of the Bond and Mortgage Guarantee Company, admitted that a statement in a booklet to the effect that the company confined its loans to "improved property" was incorrect. He said that his company had placed no reliance on any of the three advertised guaranties except the security of the mortgaged property. Even after it had ceased payment of principal on certificates which it had already sold and was marketing certificates based on defaulted mortgages, the Bond and Mortgage Guarantee Company advertised "Two billion dollars' worth of mortgages and not a single loss," and advised prospective investors, "If you wish to buy an investment that will be safe through the depression buy our guaranteed first-mortgage certificates." Almost up to the moment that it was taken over by the State Superintendent of Insurance for rehabilitation the New York Title and Mortgage Company claimed that its mortgage certificates were "as secure as the bedrock of New York."

Many certificate issues were based on mortgages on vacant land, untenanted buildings, and other non-productive property, while property was frequently appraised at far above its actual value. The New York Title Company made a loan of $75,000 to the Solal Company on a parcel of vacant land in Queens. Of this sum $49,000 was used to pay off an old mortgage and arrears, and the rest to repay a loan from the Bank of Manhattan Company, which owned 98 per cent of the New York Title and Mortgage Company's stock. The same company loaned $350,000 to the Robert Beyer Company on an unoccupied factory "with the hope that because of it Paul Block and others closely associated with Mayor Walker would deposit funds in the American Trust Company," which had merged in 1930 with the Bank of Manhattan. It also loaned $2,000,000 on the Hampshire House, a projected apartment hotel which is today unfinished, has never produced a penny of revenue, and would require a million dollars more to be made ready for occupancy. All the title companies made loans similar to these. The Home Title Insurance Company went so far as to recommend as a conservative investment a house in Richmond Hill that had been swept by fire, wrecked, and was untenanted. Since mortgages on vacant land and unoccupied buildings could not be sold to banks and insurance companies, they were unloaded on the public in the form of guaranteed-mortgage certificates.

What was still worse, millions of dollars of certificates based on mortgages which were already in default, on which the property-owners were no longer making payments, were sold to the public. The New York Title and Mortgage Company marketed $2,495,000 worth of certificates against

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mortgages which were in default at the time of sale and still are in default. During the year ending March 1, 1933, the Bond and Mortgage Guarantee Company sold $35,469,000 worth of certificates on mortgaged property against which millions of dollars of taxes and interest were in arrears. In 1933 one out of four mortgages issued by this company was in default. Of $1,459,511 worth of mortgages sold by the Westchester Title and Trust Company between January, 1932, and April, 1933, $1,103,834 worth were in default at the time the certificates were sold.

Officials of the title companies disclaimed responsibility for the sale of certificates based on defaulted mortgages. W. B. Clarke of the Bond and Mortgage Guarantee Company stated that "the company did not know that the securities were in default." He said "the information was in the hands of the tax department of the Title Guarantee and Trust Company, which had failed to inform us." The Bond and Mortgage Guarantee Company was a subsidiary of the Title Guarantee and Trust Company. Frederick Condit, former vice-president of both companies, placed the blame for the sale of defaulted securities on clerks in the extension department. He thought, however, that the late president, Clinton Burdick, "should have known something about it." Thomas E. Foster, vice-president of the Westchester Title and Trust Company, whose title business was also controlled by the Title Guarantee and Trust Company, said that the officers had never asked for a list of arrears on mortgages against which certificates had been sold, but simply went on selling certificates.

Foreclosures were concealed from certificate holders. The title companies transferred foreclosed property to subsidiaries, which in turn issued new mortgages, thus relieving the parent company of its responsibility as guarantor. The principal amount of the mortgage, all costs of foreclosure, and taxes and interest in arrears were placed on the books of the subsidiary, while the parent company carried on its books as an asset the total of the same items. In filing its federal income-tax return the New York Title and Mortgage Company deducted $5,700,000 for interest in arrears and foreclosure costs unpaid, but listed the same amounts as assets in the balance sheet submitted to the State Insurance Department. In 1930 and increasingly in 1931 and 1932 the companies were paying out as interest on mortgages money which they never received from the mortgagors. More than a million dollars was expended in this manner in 1932. It was evident that this practice could only result in disaster. Nevertheless, the title companies did everything in their power to stave off the day of reckoning. Every title company without exception set out to save itself at the expense of the certificate holders.

An obscure eighteen-months clause was invoked which permitted the title companies to postpone payment of principal on mortgage certificates. This clause was printed in very small type at the bottom of the certificates. In fact, Joseph C. Shields, vice-president of the New York Title and Mortgage Company, experienced considerable difficulty in finding the clause when asked to do so at the Moreland investigation. After they had suspended payment on certificates which they had already sold, the title companies embarked on a high-powered sales campaign to persuade the public to buy more of their securities. New purchasers were not told that the eighteen-months clause had been invoked. Joseph C. Shields admitted that "we didn't bring it up if they didn't ask." When purchasers complained about the stoppage of payments and inquired about the prospects of the companies, the custom was, instead of answering them in writing, to send some one to see them and try to sell them more certificates.

When these expedients failed, the title companies turned to the Reconstruction Finance Corporation for aid. The New York Title and Mortgage Company borrowed more than $10,000,000 from the RFC between May 31, 1932, and February 25, 1933. But the RFC was not to be fooled as easily as the certificate holders. To meet its requirements, the New York Title and Mortgage Company went through its group-series mortgages, against which it had issued certificates. It withdrew the better mortgages and placed them as collateral with the RFC and substituted poorer ones; $10,464,000 in acceptable mortgages was taken out from behind nine series of certificates, and $9,800,000 in mortgages on which the RFC would not lend money was substituted. Hubert Breitweiser, vice-president of the company, admitted that the certificate holders were far worse off after the RFC loans than they had been before.

Despite the fact that they could no longer meet their obligations, four of the larger title companies now in rehabilitation continued to pay handsome dividends to their stockholders in 1931 and 1932. The Lawyers Mortgage Company, the Bond and Mortgage Guarantee Company, the Lawyers Title and Guaranty Company, and the New York Title and Mortgage Company paid dividends aggregating $13,150,000 in these two years. The New York Title and Mortgage Company expended $8,900,000 in dividends after it had ceased paying certificate holders. At the time of its last dividend the company had invoked the eighteen-months clause on $17,000,000 worth of certificates and was in actual default on $121,900 worth of certificates which it had guaranteed to pay. Largely as a result of its lavish dividends and the RFC loans, the quick assets of the New York Title and Mortgage Company declined from $30,000,000 in 1931 to $5,000,000 in 1933.

In the early part of 1933 it was obvious that the New York Title and Mortgage Company could not survive much longer. To avoid in part public onus for its subsidiary's collapse, the Bank of Manhattan Company transferred it by an exchange of stock to a Delaware corporation. The bank was thus enabled to tell complaining customers and investors that it no longer owned the New York Title and Mortgage Company. The Title Guarantee and Trust Company managed to extract many of the remaining good mortgages from its subsidiary, the Bond and Mortgage Guarantee Company, before the latter's demise. Between January 1 and February 6, 1933, the Bond and Mortgage Guarantee Company borrowed $2,300,000 from the Title Guarantee and Trust Company on unsecured promissory notes. On March 13, after the bank holiday, the Bond and Mortgage Guarantee Company repaid the loan, but immediately borrowed $2,250,000 more, giving good mortgages as security. Superintendent of Insurance Van Schaick has instituted proceedings to recover $2,870,000 worth of mortgages turned over to the Title Guarantee and Trust Company by the Bond and Mortgage Guarantee Company.

When the inevitable crash came, the officials of the title companies had already taken steps to protect themselves and their "preferred" customers. A list of a hundred names of

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individuals and corporations able to collect payment for certificates from the New York Title and Mortgage Company, sometimes in advance of the date of maturity, after the eighteen-months clause had been invoked, was presented at the Moreland investigation. Most of the favored purchasers were either clients of the Bank of Manhattan Company or friends and relatives of directors of the title company. F. H. Lemmerman, director of the New York Title and Mortgage Company and a member of the executive committee of the Bank of Manhattan, was paid $100,263 on his certificate investment in October, 1932. Other officers received full payment with interest, although the eighteen-months clause had been invoked in September, 1931. Preferred customers obtained more than a million dollars from the New York Title and Mortgage Company in 1932.

From the very beginning the title companies have experienced little difficulty in obtaining favorable legislation from the New York Legislature. On the pretext of aiding struggling home-owners, the home-owners being in many cases the companies themselves, the title companies in 1933 asked to be relieved of their guaranties. However, insurance companies and trustees of estates who held large blocks of certificates could not legally waive their guaranties. Therefore the title companies had a law put through the legislature in April permitting "an executor, administrator, trustee, or other person holding trust funds invested in guaranteed-mortgage certificates to adjust, reduce, modify, postpone, or compound the same or any terms or conditions thereof including the rate of interest or any instalments thereof, and [the trustee] may at any time release the same." As Benedict Leerburger pointed out in *The Nation* for May 17, 1933, "certainly no possible benefit can accrue to those who waive the provisions of their contracts, and the legislation appears meaningless unless it is contemplated to exert some coercive pressure upon those institutions that hold a large amount of these mortgages, particularly those under the supervision of the same State superintendent as the life-insurance companies."

At the same session the legislature enacted laws authorizing the Superintendent of Insurance and the banking board to adopt rules and regulations concerning corporations under their supervision. Superintendent of Insurance Van Schaick promptly ordered the title companies to make no payments of principal and interest on guaranteed mortgages except when they received the money from the owner of the mortgaged property. Otherwise, the companies were free to use and dispose of their funds as they saw fit. In other words, the title companies could expend their assets for any purpose whatsoever except to pay certificate holders.

The Schackno law passed at the same time further impaired the rights of certificate holders. Under the provisions of this law the Superintendent of Insurance, acting as rehabilitator, "may promulgate a plan of reorganization on his own initiative or at the request of at least one-third of the principal amount of the certificate holders." After it is approved by the rehabilitator, the Supreme Court, and two-thirds of the certificate holders, the plan becomes operative. By consenting to such a plan of reorganization, it would appear that the certificate holders automatically release the companies from their guaranties. In an attempt to overcome this difficulty, the framers of the law included a clause to the effect that "the liability of any guaranty corporation with respect to any mortgage investment sold, issued, distributed, or guaranteed directly or indirectly by it shall not be discharged by an action taken pursuant to this act." However, this clause is of doubtful legal value, for the certificate holders automatically surrender their contract rights by entering into a new agreement with the mortgagor, or by accepting the stock of another corporation in lieu of their certificates. According to Judge Frankenthaler, this section is "manifestly unconstitutional" because "at the time the guaranty corporations issued their guaranties they had the right to expect that any modification of the guaranteed indebtedness without their consent would discharge them from liability." In addition, the law makes no provision for the payment of any sum to certificate holders refusing to consent to a plan of reorganization. Dissenters acquire no share in the property, yet they also lose their contract rights. Many of the plans of reorganization approved by the rehabilitator have been flagrantly contrary to the best interests of the certificate holders. Judge Cropsey pointed out in a recent opinion that certificate holders are often asked to give up something and get nothing in return. In rejecting the plan before him Judge Cropsey said that the Superintendent of Insurance should not give his approval to applications devoid of merit.

The O'Brien bill passed by the legislature this spring would have restored the title companies to the same individuals and organizations which had already fleeced the public of millions of dollars. In vetoing the bill Governor Lehman pointed out that "the measure would have made possible the reorganization of a company and opened the way for it to start the sale of guaranteed-mortgage certificates under the very same provisions of the law which afforded the holders no protection and under which holders of guaranteed-mortgage certificates are now sufferers." The only important mortgage legislation enacted at the recent special session was a bill authorizing banks and insurance companies to lend money on mortgage certificates. There is considerable doubt at the present time whether the banks will be willing to make these loans. But even if the banks do make the loans, it is difficult to see how the certificate holders can repay them. The result may be that the bankers, who in many cases are the very ones who benefited from the business carried on by the title companies, will gain control of thousands of certificates by paying a fraction of their listed value.

The whole process of rehabilitation is being carried on at the expense of the certificate holders. During the indefinite period of rehabilitation the certificate holders are not permitted to sue the title companies. The obligations of the companies are being scaled down, and assets which ought to be conserved for the certificate holders are being expended in a vain attempt to put the companies on their feet again. Samuel Untermyer recently charged that "Van Schaick had used his powers in connection with mortgage certificate holders for patronage purposes and had not done anything of great benefit for more than 2 per cent of the holders."

The only salvation for the certificate holders is in the immediate liquidation of the defunct title companies. The remaining assets, instead of being expended in a hopeless effort to rehabilitate the companies, should be conserved for the certificate holders. Rehabilitation can only extinguish liabilities, it cannot create assets. The certificate holders have suffered enough at the hands of the title companies, and should not have to bear the entire burden of rehabilitation.

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In the Driftway

THE Drifter was asked a simple question the other day—and he has been having complicated thoughts ever since. Moreover, it was a question particularly fitted to a drifter, and the fact that he cannot answer it has set him to wondering what careers Mr. Pitkin has open for a professional wanderer who is ageless but slightly stooped and knows nothing about salesmanship. It was a hard-working, too conscientious young woman who asked the Drifter innocently where she should go for a real vacation. At first the Drifter was involuntarily confident. It was a question he had been answering glibly these many years. "North Africa," he said "is very exotic." "But in North Africa," said the young lady with a pained expression, "women have no freedom and the blacks are horribly exploited. I was reading about it only the other day." "Well," said he, "there's Mexico. It's picturesque and colorful, and they've already had a revolution." The young lady was visibly shocked. "But don't you know," said she, "that the counter-revolution has gained control and that the workers and peasants are ground under the heel of a new despot? Why, Carleton Beals says—"

* * * * *

SO through the sunny September afternoon the Drifter and his questioner thought and thought. The Cotswolds, the Lake country, Cornwall—lovely names, lovely country. But there would be John Strachey and the coming struggle for power lurking behind every bush, rising out of every lake, like the monster of Loch Ness, elusive and fearful. Ireland is green but there are the land-bound peasants of Seán O'Faoláin. Paris? Around the throat of that lovely pampered city "the red necklace" of its Communist suburbs draws tighter. "I don't like riots," said the young lady sadly. "It isn't," she hastened to add, "that I'm against the class struggle or the revolution. I just thought that if I could get away from it for a month I'd be more useful." "Alaska," said the Drifter," is too cold for this time of year." "And besides," rejoined his companion, "Nome has just burned to the ground and hundreds are homeless." "Spain," droned the Drifter, "is terribly interesting." "Yes," said his friend dully, "the peasants eat dogs there, so Louis Fischer says." "But yes," cried the Drifter, "why not Russia?" "But no," said the lady, "it would be *much* too stimulating." The sun went down and the air cooled. "I have it," said the Drifter, "why don't you take a cruise? You wouldn't need to touch land and you could just lie on the deck in the sunshine." "Have you forgotten," she said, "the Morro Castle? Don't you know that all boats these days are manned with overworked, underpaid seamen?"

* * * * *

THE Drifter excused himself and went to dinner at the Ritz. But he can't get the young lady and her problem out of his thoughts. It is just possible that she could find a mountain peak in the Rockies where the class struggle has not sullied the clear blue air. He can think of no other refuge except possibly William Beebe's bathysphere or a movie star's mind.

THE DRIFTER

Correspondence

Antonio Bellussi

TO THE EDITORS OF THE NATION:

In June, 1933, Antonio Bellussi was arrested without warrant by a federal agent for expressing opposition to fascism at an open-air meeting in Wilkes-Barre, addressed by Art Smith, head of the Khaki Shirts. His rooms were searched without warrant, and on the basis of some anti-fascist literature and an out-of-date membership card in the Communist Party he was held in a county jail for nine months and finally sentenced to deportation to Italy. Bellussi is an old fighter against fascism. He was forced to flee Italy in 1924 because his anti-fascist activities endangered his life. His return would mean a long jail sentence or worse.

The Provisional Committee for Non-Partisan Labor Defense has obtained the right of voluntary departure for Bellussi and has been working for a rehearing of his case. Bellussi must now leave on October 1. He remains, however, without a passport and without funds. The committee hopes to obtain a visa for him to some country other than Italy even without a passport. This requires money. Three hundred dollars are urgently needed to pay for Bellussi's passage and to keep him from leaving the country penniless. We appeal to readers of *The Nation* to come to the aid of this courageous anti-fascist fighter by sending contributions at once to the Provisional Committee for Non-Partisan Labor Defense, 22 East Sevententh Street.

New York, September 17

GEORGE E. NOVACK, Chairman

Western Literary Messenger

TO THE EDITOR OF THE NATION:

I am preparing to write a history of the *Western Literary Messenger,* a magazine published in Buffalo, New York, in the "fabulous forties" and the "feverish fifties" of the last century. I shall be very much obliged to anyone who can give me material, especially in the form of letters. There are incomplete files of the magazine available here and there; but the early volumes (I-IV) are scarce. Any information bearing directly or indirectly upon this subject will be gratefully received. My address is 162 Bellmore Street.

Floral Park, N. Y., August 18 ERNEST W. CLEMENT

Contributors to This Issue

WILLIAM T. STONE is the Washington representative of the Foreign Policy Association.

HAROLD J. LASKI, professor of political science at the University of London, is the author of "Democracy in Crisis."

HAROLD SEIDMAN is a member of the department of political science at Brown University.

MARK VAN DOREN, who is well known as critic and poet, has just completed a novel which will be published next January.

MAURITZ A. HALLGREN, formerly an associate editor of *The Nation,* is now on the staff of the Baltimore *Sun.*

GEORGE FORT MILTON, editor of the Chattanooga *News,* is bringing out this fall a book on Stephen A. Douglas, to be entitled "The Age of Conflict."

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Labor and Industry

One Million Excluded Men

By HELEN CHRISTINE BENNETT

TO the general public an "outside salesman" is a man who rings the doorbell and insists upon interviewing the householder, thereby invading the privacy of the home and destroying the peace of the day. But the technical term "outside salesman" includes far more than the door-to-door vendors. Aside from the 63,769 canvassers listed by the Census of 1930, plus the emergency house-to-house sellers developed by four years of depression, there are hundreds of thousands of men who are engaged in the vital process of distributing the products of industry as "outside salesmen." No authority is willing to vouch for the exact number. Daniel Bertrand, of the Division of Research and Planning of the NRA, replied to an inquiry: "The number of 'outside salesmen,' to my mind, is conservatively about 1,000,000."

In May of this year Samuel Untermyer appeared in Washington at a hearing for outside salesmen, who had been trying for five months to present to the Recovery Administration their exact plight. They are not the forgotten, they are the excluded, workers in industry. Of the four hundred or more codes which have now been approved by the Administration authorities, the motor-vehicle industry code is the only one which specifically provides for its outside salesmen.

> Full-time outside salesmen who are unrestricted as to hours and receive remuneration on a commission basis shall be guaranteed a drawing account of not less than $17.50 a week in any city of 500,000 population, or in the immediate trade area of that city.

Supplementary paragraphs of the code provide for lesser sums to be paid as drawing accounts in smaller cities, with a minimum of $10 weekly in towns of 2,500. These few paragraphs represent all that industry as a whole has done to protect the employees who sell its products.

The majority of these million men ring no private door bells. They have few dealings with the ultimate consumer of any class of goods. In the main they are engaged in carrying from the factory to the retailer or jobber new products, new styles, and improvements upon older styles. About one-third of them—223,732 in 1930—are "commercial travelers," men who go from one city to another and who represent not only manufacturing units but agriculture, through food combines or large wholesale jobbers, and who deal with imports and exports as well as national products and services. Thousands of these outside salesmen are technically trained experts, whose task is largely one of education. A biological chemist visits hospitals, institutions, and physicians, telling of the new commercial developments in the culture of bacteria for the treatment of disease; college graduates with special training are required to explain the intricate manipulation of the latest tabulating and accounting machinery; graduates of agricultural colleges sell blooded stock or fruit-bearing trees to farmers. The traveling salesman of Pullman-car fame still exists, but his standards are higher, and he is supplemented by large numbers of high-caliber men who represent industries and services which were unknown a score of years ago. The remaining two-thirds of the million outside salesmen are district or city salesmen, each one definitely engaged by a business house. The bulk of their selling is to factories, stores, offices, and other business houses. Certain industries, such as refrigeration, vacuum cleaning, heating, insurance, books and magazines, do send out men who might be classed as canvassers since they sell direct to consumers, who are in the main householders.

In 1929, 900,000 men were engaged in outside selling, and of this number 90 per cent were paid regularly for their services. Some received salaries based on a record of minimum sales, plus a commission on all sales over the amount represented by the salary. Others were granted drawing accounts, which meant that they were privileged to draw from the concern which employed them an amount not to exceed a certain figure each week, and that this sum would be deducted from their earned commissions. The traveling expenses of men sent from city to city and from State to State were paid by the employers as a matter of course.

Four years of depression have changed all this. The outside salesman, formerly a fairly paid, well-considered employee, has become a hanger-on of industry who fitfully receives any commissions which may be due him. Mr. Untermyer's statement at the Washington hearing that salesmen have suffered and are still suffering more from the depression than any other class is not in the least an exaggeration. One-third to one-half the one million employed outside salesmen are receiving less than the minimum NRA wage of fifteen dollars a week. Men who in the 1920's were making from $10,000 to $15,000 a year are now earning from $40 to $60 a week. Three to four million persons are presumably dependent upon the earnings of a million outside salesmen and fully half of this number are already or soon will be in actual need.

The reduction of the volume of business and the curtailment of markets are factors which the salesman is prepared to accept as beyond his control. But the change in his position as an employee has forced him to demand recognition of his rights as a worker. In 1934 not 90 per cent but 10 per cent of the outside salesmen employed are receiving salaries, drawing accounts, or traveling-expense money from their employers. Whether they succeed or fail, commercial travelers are required to finance their own trips. City outside salesmen are required to report to offices daily or twice daily and to pay their local expenses. They get their commissions at such time as the employer pleases to pay them, a time which varies from the date of sale to thirty, sixty, or ninety days thereafter. The great majority of employers withhold 20 per cent of commissions against failure of the buyer to meet payments.

In order to sell its products in the year 1934, industry is "employing" 900,000 men with no risk to itself and no investment save that of office overhead. The "employee" risks his traveling expenses, his time, his energy and ability while he advertises the products of the concern with which he is connected. Despite the condition of the market, the

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number of salesmen employed has steadily increased, while districts or territories assigned to men have grown steadily smaller and commissions have in many cases been considerably cut. Why not? Men eager for a chance at earning anything will assume all risks, and the deferred payment of commissions helps the employer to finance his business. It is obvious to all employers that the more men engaged in trying to sell products, the greater the chance of sales. Even if no immediate sales result, to have a large number of men talking about particular products day after day has distinct advertising value.

Up to 1930 there was among the larger and more reputable employers of salesmen a kind of code of honor that prevented a salesman from handling the goods of more than one concern. The free-lance commission salesman has always been known, but until recently he has been a negligible factor in the selling field. Industry as a whole looked askance at a man who carried the products of more than one house. Salesmen willing to sell as free lances were suspected of carrying inferior goods upon which higher commissions could be obtained. Reputable manufacturing concerns insisted upon salesmen devoted to one exclusive interest. Today in one industry alone 100 free-lance peddlers are selling the merchandise of over 500 manufacturers and jobbers. In 1929, 500 salesmen represented these manufacturers and received salaries and commissions for their work.

When the NRA codes came into being industry had decided to exclude the outside salesman. By inference he was included in the original retail code, but when the code went into effect an administrative order was issued to the effect that wage provisions did not apply to him. For months the motor-vehicle code was the only one which provided for him. At this writing codes for the upholstery and drapery trade, the solid braided-cord industry, the retail monument industry, and the coal-dock industry have indirectly made provisions in his favor in that he is not specifically mentioned among the exceptions to the code provisions, and is presumably to be accorded the same treatment as other employees. All other codes of industries which employ outside salesmen, which means practically all remaining codes, deliberately and specifically exclude them from any participation in code rights and benefits. Minimum wages, hours of work, terms of service are determined for employees "except outside salesmen." The salesman is thus placed outside all regulation.

Salesmen are not members of unions. There are some seventy-five organizations of salesmen, sixty-four of which are now grouped in a kind of federation known as the National Council of Traveling Salesmen's Associations with an estimated membership of 900,000. Seventy delegates from this federation attended the hearing for outside salesmen held in May by the National Recovery Administration. The Order of United Commercial Travelers and other organizations also sent delegates.

Representatives of factory owners, wholesalers, and jobbers arrived to present the employers' point of view. The great majority of them opposed salaries and drawing accounts; many refused to consider an expense account. Their arguments were: "You cannot control an 'outside' man. You do not know how many hours he works. A commission keeps men hustling. They would lie down on the job if paid salaries." These two arguments would have applied equally well during the years when salesmen received salaries, or drawing accounts, and expense accounts. The third and fourth arguments reflect conditions of 1934: "A salary plan adds a cost to business. Can business stand it? Can insurance, real estate, publishing, vacuum cleaners, refrigerators, etc. endure without unlimited men on commission basis?" To which there was but one reply for the representatives of the salesmen. They quoted the President of the United States. "No business which depends for its existence on paying less than living wages to workers has any right to continue in this country."

Joel Berrall of the National Labor Advisory Board presented a survey of salesmen, employers, and the attitude of the public, and offered a recommendation which provided a trial period for outside salesmen at a cost to the employer of $30 per man, a minimum salary or drawing account of $15 weekly, traveling expenses to be paid by the employers, and all commissions settled in full within sixty days after date of sale.

General Hugh S. Johnson called upon a number of the thousand salesmen who had journeyed to Washington for the hearing. "Do you understand," he inquired, "that this proposed guaranteed salary or drawing account will greatly reduce the number of salesmen employed?" Each salesman when called replied that he did. Some of them also replied, sturdily, that men receiving less than $15 a week are not employed. The issue is here made clear. If the figures given out by business men are at all accurate, the fixing of any minimum requirements as to salaries, drawing accounts, and expense accounts would throw one-third to one-half the men now "employed" as outside salesmen into the ranks of the acknowledged unemployed and business would in all likelihood lose a number of sales.

Labor Notes

Two Settlements

AFTER a bitter, protracted walkout lasting several months the Montana copper workers have finally won their strike against the Anaconda Copper Company. Although the agreement does not concede all the demands of the International Mine, Mill, and Smelter Workers, the union has succeeded in obtaining much better terms than those set forth in the code. The basic wage rate will be $4.75 per day, substantially higher than the code minimum. Furthermore, the basic rate will be adjusted upward, on a sliding scale, depending on the sales price of copper. The work week will be a straight forty hours, uncorrupted by the averaging provisions which virtually nullified the maximum work week of the code. Finally, the mines will be run as closed shops. These terms represent genuine improvements, but the union might have been able to drive a still better bargain if the building and metal trades employees, in the true A. F. of L. tradition, had not seen fit to negotiate separate settlements. In any event, the copper workers, facing Anaconda, have succeeded where the aluminum workers, facing the Aluminum Company of America, failed. The aluminum strike settlement had nothing to say on the chief issues—seniority rights to govern mass lay-offs and reinstatements, elimination of the wage differentials among the different plants, and recognition of the union in the form of a written agreement. Instead, the management addressed a letter to the union pledging that it would in the future, as in the past, abide by the requirements of Section

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7-a. This letter the leaders of the strike were content to accept as a righting of past wrongs and as a guaranty of future good behavior. If the union can survive this patent let-down of the rank and file who forced the strike, the capacity of American workers to bear with "misleaders" must be unlimited.

The War on Majority Rule

THE invitation of the National Association of Manufacturers to employers to defy the National Labor Relations Board on majority rule is already bearing fruit. For the first time the board has been dragged into the federal courts. Ordered to conduct an election at which its workers might choose between representation by an A. F. of L. federal union and a company union, the Ames Baldwin Wyoming Company, of Parkersburg, West Virginia, manufacturers of shovels, responded by bringing suit in the Richmond, Virginia, Federal District Court. The suit attacks the constitutionality of Public Resolution 44, the formal basis of the board's authority, and asks that the board be restrained from carrying out any such election. It is the Weirton case all over again except that the legal initiative this time is taken by the anti-union employer instead of by the government. Furthermore, the Houde Engineering Corporation of Buffalo, New York, against which the precedent-making majority-rule decision was directed, has refused to surrender its Blue Eagle, although ordered to do so by the NRA upon the recommendations of the Garrison board. The company takes the stand that the Blue Eagle was given to it by the Code Authority, which is thoroughly satisfied that Houde bargains collectively. This attitude, if persisted in, will force the board into the federal courts once again—a consummation devoutly to be desired, for it is high time that the government brought judicial authority to bear against employers who resist their obligations under Section 7-a. For a time, also, it seemed that the Kohler Manufacturing Company, by refusing to submit to an election, would precipitate further immediate litigation. At the last moment Kohler gave in and will submit to the election "reserving legal rights." This means, however, that Kohler will refuse to recognize the A. F. of L. union, if that is chosen by the majority, as the exclusive agency authorized to bargain on behalf of the workers. In short, in this case also, the board will eventually be forced into the courts.

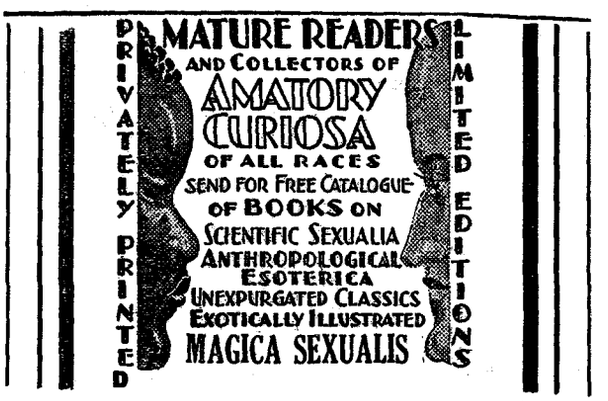
An Election in Steel

WHEN, on September 6 last, the National Steel Labor Relations Board conducted a collective-bargaining referendum among the employees of the West Virginia Rail Company of Huntington, West Virginia, it was the first break in the solid resistance of the steel industry. The results of the election, now announced, make the industry's attitude easy to understand: 237 votes were cast for the Amalgamated Association of Iron, Steel, and Tin Workers, the A. F. of L. union; 134 votes were cast for the Huntington Steel Workers' Association, the company union. Accordingly, the board has certified the Amalgamated and ordered its acceptance "as the representative of the employees—for the purpose of collective bargaining, with all the rights and privileges vouchsafed by law to such choice and certification." So far, so good—but the board's real troubles are about to begin, now that the ubiquitous Weirton case has been thrown on its hands. Although the government is continuing its suit against Weirton on the ground of "coercion," the charge that the company refused to permit an election has been withdrawn, and the election petition of the workers has been submittd to the Stacy board. This, for all practical purposes, cuts the heart out of the suit now pending. But looking forward to such future litigation as the Steel Board may institute, it puts the government's case on much firmer ground. In view of the joint resolution and the executive order there can be no doubt of the Steel Board's authority to order elections and to apply the principle of majority rule.

A Victory for Railway Workers

THE Railway Mediation Board has come through its first court test successfully, and the cause of organized labor among the railroad workers thereby takes another step forward. Acting under the authority of the Railway Labor Act of 1934, the board conducted an election among the clerks employed by the Chesapeake and Ohio Railroad to determine by what labor organization they should be represented in collective bargaining. Immediately thereafter, the C. and O. Railway Clerks' Association, a company union, brought suit in the Supreme Court of the District of Columbia to enjoin the board from counting the votes. The petition contained two charges: first, the board "improperly struck" from the voting list the names of 372 "excepted" employees, that is, private secretaries and other semi-executives; second, the board "improperly" added the names of 188 "extra" employees, that is, workers on furlough who still retained their seniority rights. Judge Letts refused to grant the injunction, holding that the board had acted with reasonable discretion in both cases. He observed: "The Railway Labor Act clearly places on the Mediation Board both the right and the duty to exercise its own discretion and judgment. This right is not to be denied by any court unless the board acts arbitrarily and capriciously, which has not been shown in this case."

RACIAL ARTS OF LOVE



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Presidents at Home
The Memoirs of "Ike" Hoover

Forty-two Years in the White House. By Irwin H. (Ike) Hoover. Houghton Mifflin Company. $3.50.

THERE are nuggets of pure gold in this book, especially for the historian—not without some dross, it must be admitted, for really it was hardly worth while recording how Theodore Roosevelt addressed his intimates, what was the taste in dress of the Presidents, and who were their valets. None the less, no biographer of any of the ten Chief Executives whom the chief usher of the White House saw at closest range, in dress and undress, together with their families, until his death on September 14, 1933, will dare to overlook this volume. As in his work he made himself indispensable by his tact, quiet efficiency, and good manners, so Mr. Hoover made his memoirs indispensable to historians by setting down simply, honestly, and modestly his impressions of the men and women he served so loyally.

Literary talent he naturally lacked, and as a result his manuscript—which he left unfinished and unrevised—has undergone a double editing, first for publication in the *Saturday Evening Post* and secondly for publication as a book. In consequence there are startling differences between the texts. In a foreword Houghton Mifflin state that they have altered the narrative only by deleting repetitions and irrelevant matter, and changed the original wording only when necessary for the sake of clarity. It is to be hoped that Mr. Hoover's comments on living individuals were not toned down. But if they were, that is another reason why the original manuscript should be placed in the Library of Congress, or in some other place where it may be available to students and writers in its pristine form. The variations of the narrative naturally leave the reader puzzled to know which version is the correct one. For example, in his discussion of Colonel House Mr. Hoover is made to say in the *Saturday Evening Post:* "He was more sought after than the President himself." This sentence and the three following it do not appear in the book.

With reference to the League of Nations, according to the *Saturday Evening Post* Colonel House "and the President were planning and putting their heads together over such a solution." In the book one reads: "Long before the ending of the war the Covenant of the League of Nations was talked about." What is much more important, when it comes to the question of the "supposed holding of Cabinet meetings without the knowledge or consent of the President," Mr. Hoover is made to declare in the *Saturday Evening Post* that "the President knew all along of these Cabinet meetings, and in his feeble way approved of them." In the book one reads, "All the talk about Cabinet meetings being held unknown to the President and without his permission was but a pretext advanced *by a third party*." Now when it is remembered that Secretary Lansing was dismissed from the Cabinet with contumely because he called those Cabinet meetings, this statement is of great importance. Who wrote the dismissal? Who was the third party? It could only have been the second Mrs. Wilson or Dr. Grayson. Mr. Hoover indicates that this same influence separated Colonel House from the President. Mr. Hoover also gives us the first detailed account of what actually happened when Mr. Wilson was stricken, declares that he was much sicker than the public knew, throws a lurid light on how the facts were concealed from the government and the people, and tells us how the country was actually ruled for a number of months by Mrs. Wilson and Dr. Grayson.

If there are people who still think that Calvin Coolidge was a great man Mr. Hoover's description of him will undeceive them. He pictures him in all his smallness, pettiness, and bad moods. "When Coolidge reigned," writes Mr. Hoover, "we thought he was an odd person, but with the coming of Hoover we changed our minds by comparison. Coolidge was queer and did queer little things, but Hoover was even more peculiar." "Those who saw Coolidge in a rage," says Mr. Hoover, "were simply startled. The older employees about the White House who had known [Theodore] Roosevelt used to think he raged at times, but in his worst temper he was calm compared with Coolidge." Delightful is the picture of President Coolidge on his summer vacation fishing in white kid gloves and merely holding the rod; the Secret Service men who had to bait the hook and take off the fish nearly struck, declaring that this was not part of their job of safeguarding the President's life! Incidentally, this close observer confirms what I have often written—that it is impossible to safeguard the President. "Yet how useless," he writes, "is the whole business of Secret Service men following the President! There is never a time when anyone disposed to harm a President could not find an opportunity. In quiet conversation the Secret Service men themselves acknowledge this fact."

Mr. Hoover's most important contribution, however, to our knowledge of Calvin Coolidge is his convincing, inside story of Mr. Coolidge's phrase, "I do not choose to run." He makes it clear that the President never intended that statement to be taken at its face value. He wanted the renomination, and when he came back from the White House offices after hearing the news that Hoover had been chosen as the nominee of the convention, "the effect it created was shocking. . . . He was a changed man. . . . He threw himself across the bed and lay there for a long time. He had no lunch. . . . He remained in his room the rest of the day and night, not emerging until nearly eleven o'clock the next morning. Even then it was a different President from the one we knew. . . . In plain words, the President hoped to be the nominee, expected to be the nominee, and was disappointed and distressed when he was not chosen by the convention. . . . Upon his arrival in the West he became a nervous wreck."

Finally, be it noted, Mr. Hoover testifies that no other President worked so little as Coolidge. He slept from two to four hours every afternoon, and did just as little as he possibly could. The hardest worker seems to have been Herbert Hoover, but the chief usher did not think that he knew how to work. The intellect which "Ike" Hoover most admired was that of Woodrow Wilson. As he accompanied President Wilson to Paris, this part of his narrative and his story of the relations between Wilson and House are of great value. As for the Herbert Hoovers, they alone were unpopular with everybody. When they left the White House for their summer camp everybody in the household was glad to see them go, and when they left their camp there was equal rejoicing by those who were left behind.

As for the ladies of the White House, Mr. Hoover seemed to cherish the greatest regard and respect for Mrs. Cleveland, but Mrs. Coolidge stood high with him as she did with almost everybody else with whom she came in contact. About some of the others he is not so enthusiastic, but throughout the volume there is nothing set down in malice. Those of us journalists who have been in and out of the White House these many years can testify to the correctness of Mr. Hoover's judgments on both men and women.

OSWALD GARRISON VILLARD

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"Just One Clique"

Fontamara. By Ignazio Silone. Translated by Michael Wharf. Harrison Smith and Robert Haas. $2.50.

THAT such a novel as this should have become a best seller in fourteen countries of Europe is powerfully suggestive of the high degree to which Mussolini and his government must be hated beyond the borders of the country which they bless. It is a poor novel by any test, even by that of propaganda. It is sketchy and coarse, and sounds like an exaggeration. It may not be that, but so it sounds, and nobody not rabidly anti-fascist can be conceived either as believing it or as liking it.

The protagonist is a village—Fontamara, an obscure huddle of huts in the arid Apennines where a few ignorant peasants learn day by day how much of a monster the new government is. It taxes them to the point of starvation, it steals their water supply, it prohibits their discussions at the tavern, it plagues them with a hundred demands for permits, identification papers, and license fees, it sends men in black shirts to ravish their women under the pretext of searching for arms, and finally, for no other reason than that a few of its slow-witted citizens have been talked by an agitator into issuing an independent newspaper, it sends more men in black shirts to commit mass murder in the streets.

Fontamara itself is drawn with some lively strokes, and not a few of its people are set out with a certain witty clearness. But for the most part it is a village with a purpose—the author's purpose, which is to bring the completest possible indictment against Mussolini's agrarian policy, whatever that is. What it is Fontamara never knows, since it does not boast a single intelligent citizen. All it knows is that the national government has ceased to be personal as once it was—a miscellany of groups and interests fighting it out man to man—and has become "just one clique," working selfishly and solidly against the poor, the uneducated, and the helpless generally. All of which I am quite willing to believe is true in Italy. In this novel, however, it does not sound true. Where there is so much crudeness and confusion, and where there is no intelligence clarifying any issue, nothing gets proved.

Yet in the middle of the book there is a paragraph which throws one ray of revealing light. Any reader who has been wondering what kind of creature it is that likes to march in a black shirt, a brown shirt, a silver shirt, or whatever uniform stands locally for Law and Order, is pretty sure to learn something from Silone's description of the Fascisti who swarmed one evening into Fontamara:

> Some of these men in black shirts we knew. They had been obliged to come out at night to keep their courage up. Most of them were stinking with wine and if you looked at them from close to, right square in their eyes, they could not face your gaze. They were poor men too. But they were a special class of poor, without land, with no trade or with many trades—which is the same thing—all rebels against hard work. The problem of nourishing themselves they would meet week by week with new makeshifts. Too feeble and cowardly to rebel against the wealthy and those in authority, they preferred to serve them, so as to have free license to rob and oppress other poor people, farmers, squatters, and little landholders. When encountered by day on the street they were humble and obsequious; in a gang at night they were malicious and bad. They had always been at the beck of the man on top and they always would be. But their enrolment in a special army, with special insignia and a special brand of weapons, was a novelty of the last few years.

Libera nos, Domine.

MARK VAN DOREN

Soviet China

The Chinese Soviets. By Victor A. Yakhontoff. Coward-McCann. $2.75.

ONLY a few weeks ago an American correspondent in China wrote that Chiang Kai-shek was purposely allowing the Red armies in the interior to live in order to have an excuse for not attacking the Japanese invaders. The implication was, of course, that Marshal Chiang could wipe out these Soviet forces at any time he pleased. Other writers have no less confidently declared that the Soviet movement in Central China amounted to nothing more than a series of minor agrarian uprisings such as China has witnessed for centuries. Still others, constituting perhaps a majority of these "observers," have put the Red soldiers down as "bandits" and let it go at that. From Moscow, at the same time, have come reports and statements veering toward the other extreme. The Communists there do not contend that the Chinese Soviets have yet achieved stability and permanence, but they assert that the groundwork has been laid for "a revolutionary democratic dictatorship of the proletariat and peasantry." They say flatly that "the first place among the Communist parties of the world after the Bolsheviks of the U. S. S. R. belongs to that of China. . . . That party is in control already of a territory larger than France or Germany."

Mr. Yakhontoff is himself not a Bolshevik, nor does he appear to be especially prejudiced in favor of the Comintern. In fact, he was a member of the *ancien régime* of Russia before the October revolution. Nevertheless, after studying all of the available documents and literature on the subject and after discussing it with partisans on both sides, he comes to the conclusion that Moscow is more nearly right than the foreign correspondents and business men of the Chinese treaty ports. He quickly and successfully disposes of the fanciful notion that Chiang Kai-shek could exterminate the Red armies if he did not wish to let them live. He shows that this renegade heir to Sun Yat-sen's national movement has made every effort within his financial ability to crush the revolutionary forces. He has sent six expeditions into Soviet China, each larger and better equipped than the one before, only to have every one of his huge armies decisively defeated, partly through the stratagems of the Red leaders, partly through the wholesale desertion of his own men to the Red side. Piecing together the fragmentary press dispatches dealing with Chiang's campaigns against the Soviet armies, one finds substantial support for the author's statements. Each time that an army has been sent against the rebels Chiang has announced that the Soviet scourge would this time be blotted out for good. But one scans the press reports in vain for any announcement or other evidence that this goal has been attained. Rarely does a dispatch report even a temporary victory for the nationalist troops. So far as the newspaper-reading public is concerned, Chiang's armies have one by one simply disappeared.

The author traces the roots of Soviet China back through the agrarian rebellions of the past, the Taiping rebellion, the growth of the secret societies, the Boxer uprising, the revolution of 1911, and the rise of the Kuomintang. He suggests, on the one hand, that the Soviet development is not merely the product of Comintern agitation, nor even largely the result of the activities of Michael Borodin and other Communists, but has issued gradually and naturally out of Chinese history and, more particularly, out of the increasingly unsuccessful struggle of the peasantry to free itself. On the other hand, he does not simply dismiss the movement as another Taiping rebellion, another agrarian uprising, for the evidence he examines gives clear indication that Soviet China has gone far beyond the selfish dreams

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and narrow policies of Hung Sui-tsuen. It has a government actually in being. Under this government live upward of eighty million Chinese. True, the territory it controls expands and contracts occasionally, depending upon the fortunes of the Red armies, but the tendency for the last four years has been definitely toward progressive expansion of Soviet China.

The author discusses the program and principles of the Soviet leaders, the reforms achieved, the hopeful and actively sympathetic attitude of the people, the part which the proletariat has played in the movement, the position of the Comintern and the imperialist Powers, and the probable future of the Soviets. He arrives at the opinion that it would be "going rather far" to assert that "China will at once turn Communist in the orthodox meaning of that term." There are too many unknown factors, present and future, to permit a hard-and-fast answer to this question. Yet he concludes:

> There can be little doubt that further extensification and intensification of the revolutionary crisis in China is inevitable, and it is quite likely that the process will follow the lines of Sovietization. . . . Partial setbacks must, of course, be expected. Severe defeats may even be inflicted by the counter-revolutionary forces, so well supplied with the foreign-made modern instruments of warfare. . . . Local retreats of the forces of revolution are to be expected also. . . . But in general one is inclined to predict a mounting tide of the revolutionary waves.

MAURITZ A. HALLGREN

New England Hostages

The Cold Journey. By Grace Zaring Stone. William Morrow and Company. $2.50.

MRS. STONE'S book proves that a *tour de force* can be an achievement of magnitude rather than a merely effective and skilful stunt. It is a competent study of a group of people who lived two hundred years ago and were faced with a situation entirely removed from present possibilities, but who nevertheless reacted quite as we, their distant progeny, would expect them to, or even as their ancestors, a thousand years ago, might have done. It is probable that hostages taken in the Trojan Wars underwent the same fundamental reactions as did those in the Great War, even though the cruelties practiced by the Allies or Germans were certainly more refined. For this reason Mrs. Stone, writing of a band of colonial New Englanders most of whom were taken to Canada as hostages, is able to interest her readers as much as if she were dealing with contemporary conditions and contemporary people. She displays courage in writing a book so different from her others, which gained for her a wide and expectant audience, although basically the present volume is similar to "The Bitter Tea of General Yen" in that it also compares contrasting civilizations.

In "The Cold Journey" Mrs. Stone has not been content to deal with different continents but has gone back to another century for her subject, to the opposing civilizations in our own land. And while the story is founded on an actual raid made by the French and Indians on Deerfield, Massachusetts, the result is less a historical novel than a psychological study of men and women who endure physical hardships, endless humiliations, and the deep spiritual crises in which important decisions and subtle adjustments have to be made. Many of these brave men and women were seduced by the life in Quebec or by the more colorful religion of the French; others were temperamentally bound to resist. Also there were those who were held in the forests by the Indians, among them the not astonishing Abel, who found their severity preferable to that of his father, the minister, a man reminiscent of the Reverend Mr. Davidson in "Rain" and the Reverend Mr. Dimmesdale in "The Scarlet Letter." Mrs. Stone's characters are real, and the solutions of their problems are never difficult to understand because they are presented with keen insight in a prose which combines austerity with a pliable poetic gift. Her sentences are chilled and accurate, with occasional rich figures and heady metaphors.

LEONARD AMSTER

John Hunt Morgan

The Rebel Raider: A Life of John Hunt Morgan. By Howard Swiggett. The Bobbs-Merrill Company. $3.50.

HISTORIANS are supposed not to concern themselves with might-have-beens, but any inquirer prodding about among the dark places of the American Civil War must be attracted to the dozen or so occasions when the tipping of the scales a little bit the other way might have brought success to the South in the arbitrament of arms. One such might-have-been was that involving Northwestern assistance to the Confederacy. There are few chapters in Civil War history more shrouded in darkness or offering more fascinating possibilities of research and development than that connected with the conspiracies of Southern sympathizers in Indiana, Ohio, Missouri, and southern Illinois.

Mr. Howard Swiggett's study of General John Hunt Morgan, while satisfactory enough in its depiction of the *beau sabreur,* is chiefly valuable for the light it throws upon the subterranean activities of Confederate agents and Northern Copperheads. In any event, it is a crisp and sparkling sort of book. One may at times disagree with its conclusions on controverted points, but one must admit none the less that it is well worth reading. The author is neither professorial historian nor professional debunker. He hails from Greeneville, in eastern Tennessee, where General Morgan met his death. Most of his life has been devoted to the textile industry, but he seems to have a great zest for exploring the lacunae of American military history, for this is his second volume in that field.

The author depicts the amazing Morgan as one whose cavalry raids had more political than military causation, and whose failures were damaging to the Confederacy for political rather than for military reasons. Even so, Mr. Swiggett's portrait of Morgan as a soldier and a man is rather skilfully done. One might suspect that a shift in emphasis on various facets of the evidence would result in the presentation of a different and more pleasing Morgan than the one we find. But Mr. Swiggett has authority for his statements of fact, and considerable persuasiveness in his inferences of character construction. The Rebel Raider he reveals is a curious personage, a magnetic man who attracted the affection without the complete respect of his men, who seemed afflicted with an often damaging neglectfulness and irresolution, and blessed with a wit generally quick enough to repair his blunders.

We first see him as a young man in the Kentucky blue-grass; we have a glimpse of the roistering blade, the young lawyer, his unhappy first marriage, and the first Mrs. Morgan's death on the eve of war. More important is the picture of a Kentucky torn by conflicting loyalties. Lincoln's exceeding care to keep his natal State from seceding, aided by Confederate blunders, slowly turned the State from an initial neutrality to firm Union attachment. But these factors did not keep the hotspurs of the blue-grass from flocking to the Stars and Bars. John Morgan raised and commanded one of the first regiments that were organized. As accustomed to command as to the saddle, he did well in the first few brushes in the war in the West. In a few months' time he was at the head of a brigade

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and then was promoted to command the division of Kentucky troops. He was fortunate, at the outset, in having on his staff a few well-qualified organizers and tacticians. Thus, so long as he had by his side St. Leger Grenfell, tactically the most competent of the group, Morgan never was surprised or beaten.

But so far as his own military genius is concerned, Morgan seems seldom to have taken even ordinary precautions against sudden enemy movements or surprises. His dependence was upon élan, boldness, the charge of horsemen, the prestige of a name that soon became mythical. And as Mr. Swiggett points out, after Grenfell was alienated from his chief, Morgan's plans never worked out well. In military matters the Kentucky leader's chief fault was an unwillingness to subordinate his own desire for independent command to the needs of the army. This led him into repeated insubordinations and failures to obey instructions. Also it deprived Bragg of his chief cavalry dependence at Stone's River and in the early stages of the Chattanooga campaign. Incidentally, this lust for independent command was one of the factors which crippled the Confederate military effort and helped to bring the final defeat in the field.

This trait of Morgan's was not out of character. He was a moody, selfish man, with an occasional flash of genius and an even more frequent willingness to seek the fleshpots and let the war go hang. During the months immediately before and after his second marriage, he was quite ineffective in the field. The episodes leading up to his death in Greeneville in 1864 do not add to his military credit. Indeed, they resemble the sort of intrigue Napoleon's marshals would have carried on with a fair lady of a foreign court.

The raid into Indiana and Ohio, the most spectacular of Morgan's exploits, seems to have failed completely in its purpose of arousing the Knights of the Golden Circle because of the bad discipline of the Confederate troops. Morgan was a failure, one of those men who almost do things but whose inner infirmities keep them from complete success. From Mr. Swiggett's swift-moving, colorfully written book the Rebel Raider emerges stripped of his mantle of myth, two parts Adam and only one part Marshal Ney.

GEORGE FORT MILTON

Drama

Tempests in Teapots

THE season is yet to see its first major production. Until one arrives, however, the playgoer can hardly do better than pay a visit to the Henry Miller Theater, where he will find an innocent and often touching little comedy from the Hungarian, somewhat noncommittally entitled "The Bride of Torozko." The play, based upon a not very substantial anecdote, concerns itself with the misadventures of a peasant girl who upon the eve of her wedding finds herself wrongfully convicted of being a Jew. Her bewildered lover hesitates; she flees for protection to the only member of her supposed race resident in the village; and when the affair is finally straightened out it serves to point the moral enunciated by the latter worthy, who says: "Everybody ought to be a Jew for four weeks—maybe two would be enough."

To Sam Jaffe in the role of this half-cynical philosopher belongs about ninety-nine per cent of the credit for making the play pointed, humorous, and touching besides. Everything else about it is mostly pasteboard, but either the author surpassed himself in writing this one particular role or Mr. Jaffe, by sheer force of personality, makes it seem that he did. Indeed, it would be difficult to find a more perfect delineation in miniature of what seems, to the Christian at least, the eternal Jew—shrewd,

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kindly, long-suffering, and at the same time touched with a half-ludicrous masochism which leads him to make a virtue out of necessity by finding a real delight in the enumeration of his sufferings. This peculiar characteristic Mr. Jaffe suggests again and again with exquisitely delicate humor but nowhere else perhaps so well as in the scene in which he is reading the Talmud to the new convert. "It's a wonderful book," he says. "Look here or here or here—no matter where you turn something terrible is happening to the Jews." Jean Arthur is attractively tomboyish if not especially convincing as the peasant girl, but it is Mr. Jaffe's play.

Elmer Rice's political melodrama "Judgment Day" (Belasco Theater) has made a great deal of noise both literally and figuratively. By now everyone interested in the current theater knows that it is based pretty directly upon the Reichstag-fire trial and that it is tumultuous and frenetic to a degree hitherto unequaled by anything on the stage or in life—unless perhaps by the Reichstag-fire trial itself. Unlike many such plays it is not painful, for the sheer violence of the melodrama is too continuous to permit one to be aware of anything else, and I for one was certainly not bored. Neither, I must report, does the play seem to achieve more than the good sound beating it indubitably administers to the nerves of the spectator.

Mr. Rice is a playwright inclined to strike back at his critics. To Brooks Atkinson, who called him "intemperate," he has already replied, "So were Aeschylus and Shakespeare." It behooves me, therefore, to state with some care my objections to his play, which I find to be two. In the first place, it seems to me obvious that if a rip-snorting melodrama is the only thing which can be made out of the subject in hand, then the subject is obviously not a suitable one for a serious play—as quite possibly it is not. In the second place, I am not at all impressed by the argument that the "importance" of the theme makes it the duty of every honest citizen to admire the play. Back in the eighteenth century it used to be said in defense of every dull piece that "it recommends virtue," and few seemed to take into account the fact that "virtue"—like honesty, tolerance, and the other qualities which Mr. Rice "recommends" by inversion—profits little from the earnest repetition of the obvious. Indeed, Mr. Rice's sermon reminds me somewhat of the one which Calvin Coolidge, in the classic story, is said to have reported so reluctantly at the luncheon table. "What did the preacher talk about?" "Sin." "Well, what did he say about it?" "He was against it." Mr. Rice is against intolerance, brutality, and the corruption of judicial processes. But aren't we all? At least all of us who are likely to buy tickets to his show?

JOSEPH WOOD KRUTCH

Films

Russia à la Mode

THE imagination can become a horrible thing indeed when it is given as much scope and freedom as Von Sternberg apparently enjoyed while making his version of the Catharine the Great legend. Or perhaps one had better say that when, as happens every so often, Hollywood decides to make a mistake, it is able, because of the vastness of its resources of every kind, to make a truly colossal mistake. Rouben Mamoulian has on several occasions (once, it may be remembered, in a picture in which Marlene Dietrich appeared) revealed the epic scale on which bad taste can be displayed on the screen. Josef von Sternberg now shows us just what can be hatched when an overcharged imagination is set loose upon an eighteenth-century Muscovite background. One had always recognized that the Russia to which Catharine came as a bright and ambitious young bride must have been far from a pleasant and civilized sort of place. But in "The Scarlet Empress" one is transported to such a nightmarish realm as never existed outside the less plausible tales of Hoffmann and Poe. Evidently Von Sternberg has read or been told that the Moscow palaces of Catharine's time retained many crude Tartar influences in their architecture and furnishings. This seed of archaeological discovery blossoms immediately in the directorial fancy into the most original grotesqueries of every description. Huge amorphous gargoyles leer from behind every chair and bedstead. Hardly a square inch of background in certain scenes is free from these swollen phantoms of Von Sternberg's Hollywood *Schwärmerei*. And the effect of presenting most of the scenes in almost complete darkness is not to make them any less depressing. Indeed, the lighting, or rather the absence of lighting, in the picture is alone sufficient to create the feeling of the sinister and the unhealthy, the uneasy conviction that what one is witnessing can only be the product of an elephantiasis of the imagination.

Except for a serious but not altogether consistent attempt by Sam Jaffe to do something with the role of the mad young Czar to whom Catharine is married, the acting in "The Scarlet Empress" is completely at odds with its melancholy and pretentious décor. Louise Dresser, as the Czarina Elizabeth, introduces a familiar and not entirely unappreciated note of Broadway vulgarity. As for Miss Dietrich, who retains the identical bisque-doll expression through half a hundred costumes, her performance is less an exhibition of acting than of mesmerism. Of all Von Sternberg's creations she is perhaps the most fantastic, as she is certainly the most beautiful. The unfortunate thing is that with the increasing absurdity of the creations the beauty is becoming less and less important.

It so happens that the same week in New York which saw Von Sternberg's researches into eighteenth-century Moscow also saw another and far more successful effort to evoke the atmosphere of a particular period of the Russian past. The picture is "Petersburg Nights" (Cameo), and the atmosphere is that of St. Petersburg during the romantic, genius-ridden period of the eighteen thirties. Based on a rearrangement of two early stories by Dostoevski, it traces out the familiar enough pattern of the proud and uncompromising artist in struggle with society. The old conflict is here resolved when the provincial genius, broken by years of misery and neglect in the capital, hears a song that he composed in youth being sung by a band of workers on their way to Siberia. Although the picture is so admirably done that the thesis seems valid enough for the time that we are in the theater, a few doubts begin to arise afterwards. The emphasis on the extreme independence of the artistic temperament, for example, seems strangely inconsistent with the collectivist ideal as promulgated in the U. S. S. R. There is also some confusion between the theme of aristocratic patronage of the arts and the theme of the degradation of bourgeois taste; the two social classes, at least as far as refinement of artistic taste is concerned, cannot be so easily identified. But what makes the film one of the best that have come out of Russia in a long time is not so much the cogency of its argument, which opens up all sorts of questions, as its manner and style of treating its subject, which hardly leave any question at all. For "Petersburg Nights" represents a significant departure for the Russian school of direction—a turning from the tedious documentary naturalism of the last few years to the poetic stylization of materials. The mood established by the acting and the photography—a combination of pathos, nostalgia, and sophisticated baroque satire—happens to be exactly right for the subject. But the return to any mood at all, after the neutralized tone of so many recent Soviet films, would be an important enough event.

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